ANHEUSER-BUSCH COMPANIES, INC.
ANNUAL REPORT 1991



A *Century of Environmental Responsibility*





The eagle has been Anheuser-Busch's corporate symbol since 1872, when it was first incorporated into the company's logo and used on Anheuser-Busch's beer products. It was officially registered as a trademark in 1877.

Through the years the majestic eagle has come to represent the company's heritage of pride and quality.

Anheuser-Busch's interest in the eagle, however, goes beyond its symbolic value. In 1976, company funding helped the National Wildlife Federation purchase the Ferry Bluff Eagle Sanctuary in Wisconsin. The Sanctuary is dedicated to education and habitat protection.

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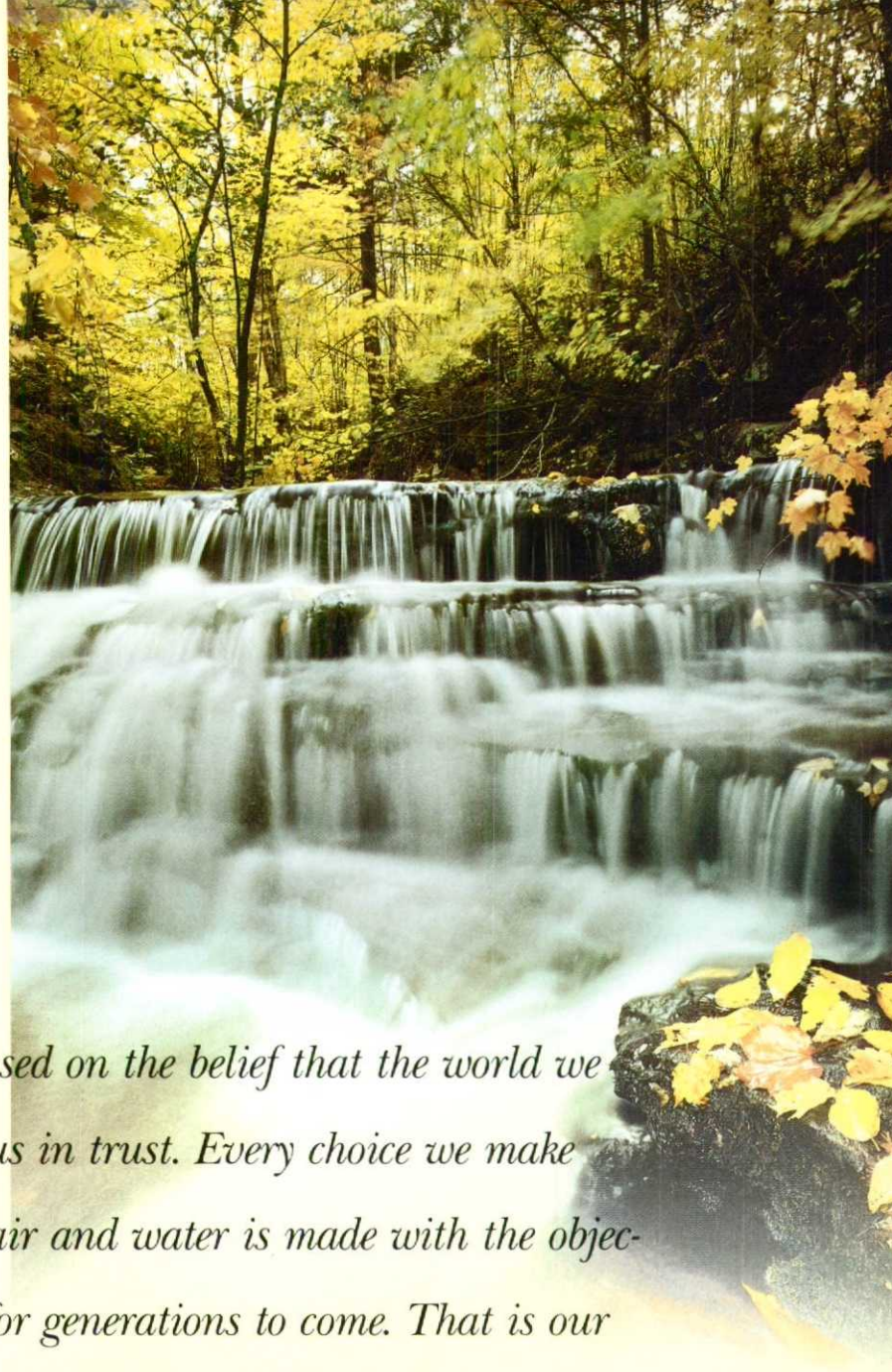
ANHEUSER-BUSCH COMPANIES

Nearly 100 years ago—under the direction of our founder, Adolphus Busch—Anheuser-Busch made what can be described as its first large-scale environmental effort by investigating uses for brewing by-products.

Through the years our commitment to the environment has grown, and today it is an integral part of the way we do business.

The '90s have been proclaimed as the "Decade of the Environment"; we take pride in celebrating a "Century of the Environment."

This year's annual report highlights some of the many ways we are working to preserve our natural environment. The message is simple: At Anheuser-Busch, our commitment to the environment goes hand-in-hand with our uncompromising commitment to quality.



"Our philosophy is based on the belief that the world we all share is given to us in trust. Every choice we make regarding the earth, air and water is made with the objective of preserving it for generations to come. That is our commitment."

August A. Busch III



ANHEUSER-BUSCH COMPANIES, INC.



1991 FINANCIAL HIGHLIGHTS

(In millions, except per share, employee, shareholder and statistical data)

YEAR ENDED DECEMBER 31,	*1991*	*1990*	*% CHANGE*
Barrels of beer sold	*86.0*	86.5	(.5)
Sales	*$12,634.2*	$11,611.7	8.8
Excise taxes	*1,637.9*	868.1	88.7
Net sales	*10,996.3*	10,743.6	2.4
Operating income	*1,721.5*	1,599.0	7.7
Income before income taxes	*1,520.6*	1,352.1	12.5
Net income	*939.8*	842.4	11.6
Earnings per share:			
Primary	*3.26*	2.96	10.1
Fully diluted	*3.25*	2.95	10.2
Common stock dividends	*301.1*	265.0	13.6
Per share	*1.06*	.94	12.8
All taxes	*2,470.6*	1,613.6	53.1
Capital expenditures	*702.5*	898.9	(21.8)
Depreciation and amortization	*534.1*	495.7	7.7
Weighted average shares outstanding:			
Primary	*287.9*	284.6	1.2
Fully diluted	*292.9*	289.7	1.1
Effective tax rate	*38.2%*	37.7%	.5
Return on capital employed	*12.6%*	12.3%	.3
Return on shareholders equity	*23.2%*	24.9%	(1.7)
Fixed charge coverage	*6.4×*	5.1×	1.3×
FINANCIAL CONDITION AT DECEMBER 31			
Plant and equipment, net	*$ 7,196.5*	$7,063.8	1.9
Total assets	*9,986.5*	9,634.3	3.7
Long-term debt	*2,644.9*	3,147.1	(16.0)
Common stock and other shareholders equity	*4,438.1*	3,679.1	20.6
Total debt to total debt plus equity	*37.3%*	46.1%	(8.8)
Number of full-time employees	*44,836*	45,481	(1.4)
Number of common shareholders	*65,390*	65,991	(.9)

The past year was exceptionally challenging—though ultimately successful—for Anheuser-Busch.

1991 began with the doubling of the excise tax on beer. This increase, coupled with our normal price increase, resulted in a 10-12% higher price for a six-pack on the store shelf. For consumers used to seeing only minimal, lower-than-inflation price increases, 10-12% was a shock. The net result was a 2% decline in overall brewing industry sales volume.

Financial Highlights

Anheuser-Busch felt this decline, though not as seriously as most of our competitors, recording a one-half of one percent decline in beer volume. Despite this volume decline, we gained seven-tenths of one share point. Total beer volume was 86 million barrels, giving us a market share of 44.1%.

Other performance measures also deserve highlighting.

- Net income set another record, growing 11.6% to $939.8 million.
- Earnings per share grew 10.2% from $2.95 to $3.25—without the benefit of share repurchase.
- Return on capital employed increased .3% to 12.6%, despite the outlay of $702.5 million of additional capital.
- Debt to total capital decreased from 46.1% to 37.3% due to the repayment of more than $500 million of previous borrowings. As a result of this repayment, interest coverage improved from 5.1x to 6.4x.

Beer and Beer-Related Operations

As I have indicated in the past, Anheuser-Busch remains committed to brewing as our primary business. In 1991 we completed our 34th consecutive year as the world's largest brewer.

Today Anheuser-Busch produces three of the top five beer brands sold in the U.S., and in 1991—for the first time—we sold more light beer than any of our competitors.

Despite the industry volume decline in 1991, we believe that there is additional growth available in the domestic market and estimate an average annual growth rate of 1% for the industry through the 1990s.

At Anheuser-Busch, our growth will come primarily from the strength of existing brands. This growth will be supported by increasing our marketing investments, particularly for our premium brands, which offer the greatest margins. Although we saw some trading down to popular-priced brands last year, we believe that premium brands will regain market share as the economy improves and the impact of the excise tax recedes. Consequently, we will emphasize our marketing support of the Budweiser and Michelob brand families.



At the same time, we will maintain the image of the Busch and Natural families as the quality choice for more price-sensitive customers. These brands are especially good tactical tools in the current marketing environment because they offer a quality product for lower prices. Our price promotion policy remains the same: We will continue to match—but not exceed—competitive discounts. While our margins have been affected by the promotional pricing activity of our competitors in the last two years, we expect more stability in 1992.

Profit growth will be further enhanced by our dedication to plant modernization and productivity improvement programs, as well as the implementation of modest price increases that reflect increases in our costs.

In the latter part of the 1990s, the international market will offer an additional opportunity for profitable growth in the beer business. During 1991 we renegotiated our license agreement in the United Kingdom to take more direct control of marketing and distribution activities. A similar effort is underway in Japan.

International beer sales have increased 44% this past year, resulting in a 65% increase in profits from international operations.

We are carefully developing the knowledge base and talent needed for future growth in the international arena. It is likely that Anheuser-Busch will make a direct investment outside the U.S. within the decade. But because of the regional nature of the beer

business, we will evaluate opportunities very carefully in order to ensure the best strategic and financial return.

Metal Container Corporation continues to emphasize quality and productivity throughout its operation with a Total Quality Management program started two years ago. The company now competes successfully for both Anheuser-Busch and outside business. Metal Container Corporation, which ranks number one in quality and is the low-cost producer in its industry, increased its profit contribution 71% in 1991. Additional soft drink volume and further manufacturing efficiencies will provide future growth opportunities.



Food Operations

For the past several years, Campbell Taggart has focused on margin improvements through plant modernizations and distribution system efficiencies. These efforts have resulted in a fivefold improvement in profit margin and a doubling of our return on capital invested since 1984.

More recently, we have focused on volume and product development. Campbell Taggart was chosen by several restaurant chains to be the regional—or in some cases, national—supplier of sandwich buns, bread sticks, croissants and pizza dough. At the same time, the rollout of IronKids bread—which has the nutrients of enriched white bread and the same fiber as whole wheat bread—has effectively introduced a whole new category to the grocery shelf. The success of IronKids indicates there are still opportunities in the value-differentiated branded products segment, which delivers higher margins.

Eagle Snacks made headlines in 1991, achieving recognition as a major player in the snack food industry. The national rollout of tortilla chips helped boost sales volume over 25%. Long recognized for its quality products, Eagle now has come of age with the volume and market share trends necessary to make a positive contribution to Anheuser-Busch profits in the near future.

Management of our snack operation has been more closely aligned with that of Campbell Taggart by moving Eagle's headquarters to Dallas, where Campbell Taggart is based. Eagle will be able to benefit from the knowledge and efficiencies of our other food operation as it enters a new phase of long-term profitable growth.

Entertainment Operations

The addition of the Sea World parks to our Busch Gardens operations makes Busch Entertainment the second-largest theme park operator in the U.S. and a major business segment for Anheuser-Busch.

While the recession and lower tourism adversely affected profits in 1991, the summer-long "Yellow Ribbon" tribute to military personnel bolstered attendance and provided incremental in-park spending.

We are well aware that the theme park business is a cyclical operation, and we will continue to introduce appropriate promotional activities with this in mind. In order to keep both the Sea World and Busch Gardens parks fresh and appealing to new and repeat visitors, we have committed more than $125 million in capital improvement and new attractions for these facilities.

Included in our capital plans for several Sea World parks is our most popular attraction anywhere: a display of our world-famous Clydesdales. These gentle giants help strengthen the association between the quality image of Anheuser-Busch and Sea World. Quality is as important in our entertainment operations as it is in our other businesses. More than 18 million people visited our Busch Entertainment facilities in 1991, and their overall experience directly reflected and supported Anheuser-Busch's quality reputation.

Corporate Values

At Anheuser-Busch, we adhere to several key values.

First is our unwavering commitment to quality in everything we do. At Anheuser-Busch, quality is more than a way of simply positioning products to the consumer. It is an overall concern with doing everything in the best way possible.

We firmly believe that our century-long heri-

tage of quality is the main ingredient in our continuing success. Often in today's world, companies sacrifice quality in order to produce products at less cost. At Anheuser-Busch, we are convinced that while this may produce positive short-term results, in the long term it works to a company's disadvantage. Nothing replaces quality as a competitive edge.

We are well aware that a quality reputation is acquired over time and only with great effort. For that reason, we will never compromise in any way the reputation of quality that we have developed over many years.

Our second key value is our belief that beer is an enjoyable and healthful American tradition. We actively defend the rights of the millions of responsible consumers to drink beer in moderation as well as our right to market our products.

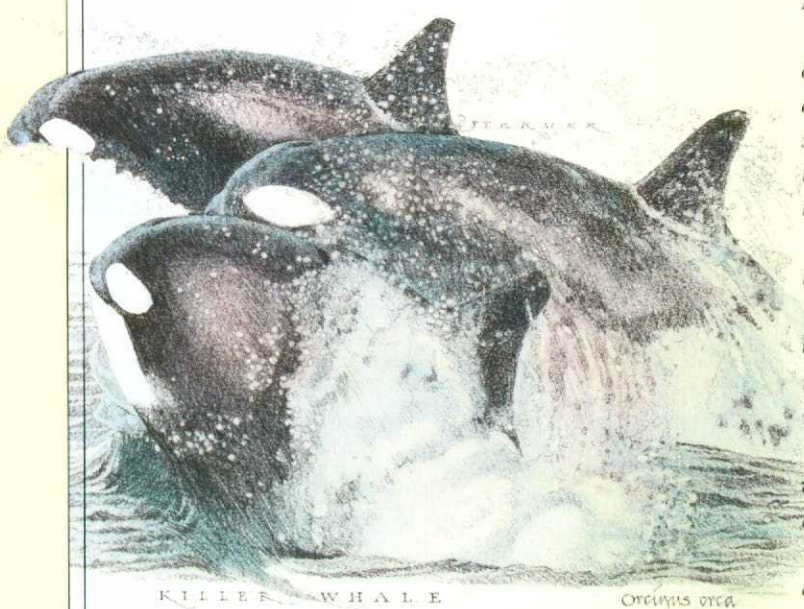
At the same time, we recognize that the abuse of any alcohol beverage is detrimental to individuals and the community. For many years, we have developed and supported effective programs aimed at curbing abuse and eliminating underage drinking. Unlike many of the measures advocated by our critics—which penalize all consumers, not just abusers—our programs are designed to educate consumers so that they can make responsible choices.

Our marketing programs are designed to appeal to adults of legal drinking age and we will resist efforts to impose additional regulations or bans on beer advertising. Such actions would unfairly stigmatize both the product and the millions of consumers who drink beer responsibly. There is simply no evidence of a relationship between advertising and abuse of beer products.



Third, Anheuser-Busch believes in doing its part to enrich the communities in which it operates. In 1991, the company and its charitable foundations donated more than $25 million, or approximately 1.6% of its pretax income, to educational, civic and social organizations. The company supports model programs dealing with inner city youth, minority scholarships and the homeless.

We have long believed that we bear a responsibility to give something back to the communities whose support has ensured our success through the years. We are grateful to the millions of loyal consumers who have made Anheuser-Busch products their first choice in the marketplace. Our ability to provide assistance to those in need is a result of consumer acceptance of our products through the years, and our support of numerous education, civic and social organizations is one way for us to say "thank you."



HUBBS–SEA WORLD RESEARCH INSTITUTE

Using sophisticated software, researchers in Alaska record and analyze the sounds of fishing boats as they fish for black cod. Killer whales, having learned to recognize the unique sounds of the long-line fishermen's reels and machinery, rush to the boats and strip the fish from the long-lines. In frustration, fishermen sometimes shoot the whales.

Through their experiments, researchers hope to find ways to modify or quiet the machinery to protect the whales.

This study is but one of dozens currently being conducted by the Hubbs-Sea World Research Institute, an independent nonprofit research foundation dedicated to helping humans understand the marine environment.

The association with Sea World is beneficial to the institute, which is adjacent to the San Diego park, as it provides access to the park's marine mammals and use of its facilities.

Institute research often plays a key role in providing the foundation for legislation, environmental management decisions and conservation programs that protect marine resources.

Finally, Anheuser-Busch is committed to preserving our natural heritage. As you have already noted, the theme of our 1991 annual report is environmental stewardship. Anheuser-Busch is proud of the story it has to tell in this area, where we have been active for nearly 100 years. At the same time, we recognize that there is still much more to be done, and we are committed to continuing to improve our environmental record.

Today our efforts cover the entire spectrum of environmental activities, from recycling as much aluminum as we use to program sponsorships such as Operation Brightside; from incorporating energy reclamation facilities in our breweries to support of wildlife programs such as Ducks Unlimited; and from endangered species breeding programs to a widely recognized brewery composting project as an alternative to landfills.

To better monitor our many environmental efforts and to identify additional actions the company can take, the Board of Directors has appointed a senior-level Environmental Policy Committee. The appointment of this group is a highly visible demonstration of the importance we attach to environmental responsibility.

I hope it is clear that our commitment to the environment goes hand-in-hand with our commitment to quality. It is more than a series of programs. It is a way of doing business. And we believe that active concern about the environment will become a hallmark of corporate leadership as we move into the 21st century.

Board Changes

Lewis Preston has been elected president of the World Bank and will no longer be able to serve on our Board. While we wish him well in his new responsibilities, we will miss his insightful counsel.

We are pleased to welcome William Webster, a St. Louis native, to fill the vacancy left by Mr. Preston. Judge Webster brings broad and distinguished experience to the Board, having served as a federal judge, director of the FBI and director of the CIA. He is currently a partner in the law firm of Milbank, Tweed, Hadley and McCloy and is located in their Washington, D.C., office.

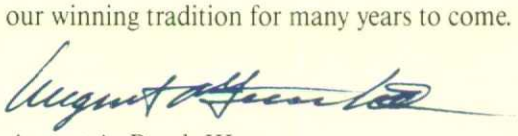
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As I said at the beginning of this letter, 1991 was a challenging year for Anheuser-Busch. Our concerns were heightened by the daily newspaper reports of companies in the midst of restructuring, downsizing and closing plants.

We believe that one of the keys to success in this environment is a recognition of the need to actively respond to changing conditions. We realize that past success does not guarantee future success. Therefore, we do not complacently take success for granted. Instead, we have continued to grow by adapting to the evolving business environment through the development of new products, innovative marketing programs and operational advancements.

Our plan for the future is simple: We will continue to do what we know best. This means that we will not be pursuing further diversification. We believe that our four basic businesses—beer, food, packaging and entertainment—provide excellent potential for future growth without venturing beyond our primary expertise. To ensure that this growth is profitable, the company invests several hundred million dollars annually so that facilities produce tomorrow's products more efficiently than they produce today's.

We have followed this strategy in the recent past, and it has proven sound and profitable to our shareholders. We have no reason to think that it will be less effective in the future. By remaining faithful to our proven business philosophy, we expect to continue our winning tradition for many years to come.



August A. Busch III
Chairman of the Board and President
February 4, 1992



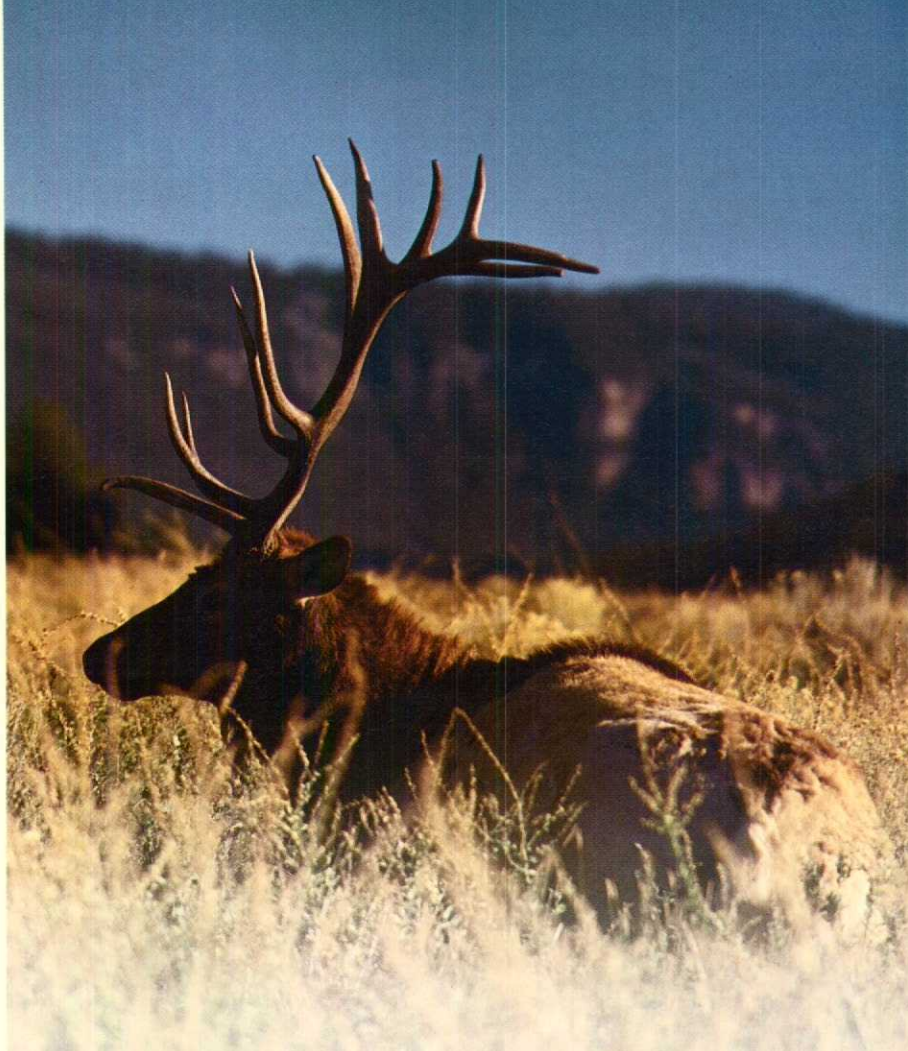
ANHEUSER-BUSCH COMPANIES

CORPORATE MISSION STATEMENT

Anheuser-Busch's corporate mission statement provides the foundation for strategic planning for the company's businesses.

The fundamental premise of the mission statement is that beer is and always will be Anheuser-Busch's core business. In the brewing industry, Anheuser-Busch's goals are to extend its position as the world's leading brewer of quality products; increase its share of the domestic beer market to 50% by the mid-1990s; and increase its presence in the international beer market.

In non-beer areas, Anheuser-Busch's existing businesses in food products, packaging and entertainment will continue to be developed. These operations deliver products or services of superior quality; enhance Anheuser-Busch's beer business or benefit from the company's beer operations; and represent opportunities to which Anheuser-Busch can add significant value.



In 1988, an Anheuser-Busch donation to the Rocky Mountain Elk Foundation helped that organization establish the North American Habitat Fund. By 1991, this initial contribution had resulted in the permanent conservation of more than 400,000 acres of irreplaceable wildlife habitat.





OPERATION BRIGHTSIDE

In Houston, a vacant lot filled with debris becomes a playground filled with laughing children. In St. Louis, a sea of freshly planted yellow daffodils transforms a drab interstate into a scenic byway.

In these two cities, as well as 10 other communities where Anheuser-Busch breweries are located, citizens are taking city clean-up problems into their own hands, thanks to an innovative urban beautification program supported by Anheuser-Busch.

The program, Operation Brightside, is based on a public/private partnership designed to involve citizens in cleaning up their cities and, more importantly, in working to keep them clean.

Anheuser-Busch has been actively involved in Operation Brightside's St. Louis program since its inception in 1981, eventually expanding the concept to all its brewery cities. Company funding is provided for community-wide clean-ups, youth employment, neighborhood recycling programs and beautification projects.

And the efforts are paying off. The nonprofit organization annually collects 100 million pounds of refuse through its work with 80,000 neighborhood volunteers. Millions of pounds of aluminum, paper, glass and plastic have been recycled through Operation Brightside's recycling programs, making the urban environment a better place to live.

The mission statement also sets forth Anheuser-Busch's belief that the cornerstones of its success are a commitment to quality and maintaining the highest standards of honesty and integrity in its dealings with all stakeholders.

SOCIAL RESPONSIBILITY

During 1991, Anheuser-Busch Companies and its charitable foundations contributed more than $25 million to nonprofit organizations. These contributions were focused in three primary areas.

Alcohol Issues

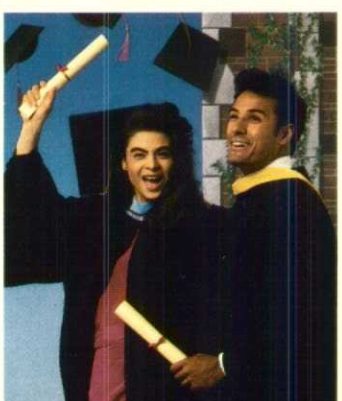
Anheuser-Busch supports independent scientific research to study the problems of alcoholism and alcohol abuse. More than $1.5 million was contributed in 1991 to such organizations as the Alcoholic Beverage-Medical Research Foundation in Baltimore, Md., and the Alcohol Research Center at UCLA.

Minority Development

Anheuser-Busch supports many organizations that work for minority economic development, preservation of cultural heritage, educational opportunities and leadership development.

As the founder and national sponsor of the Lou Rawls Parade of Stars telethon, Anheuser-Busch has helped raise more than $98 million for the United Negro College Fund since 1980.

Anheuser-Busch is also the largest corporate supporter of the National Hispanic Scholarship Fund, having provided more than 6,700 scholarships and $14 million in support since 1981. In 1991, Anheuser-Busch contributed $1.5 million to the NHSF and held a variety of fundraising events including "Juventud Divino Tesoro," a telethon



on Hispanic television station Telemundo, and a celebrity golf tournament series.

In the Asian Pacific American community, Anheuser-Busch supports a wide range of organizations, including the Asian Pacific Women's Network, Asian Business Association, Chinese for Affirmative Action and National Korean Scholarship Federation.

Community Support

Anheuser-Busch is actively involved in the communities where it operates breweries and other major facilities. The company supports local nonprofit organizations, including the United Way, American Red Cross, social service agencies, arts and cultural groups, health care institutions, youth groups and colleges and universities.

As the theme of this annual report indicates, Anheuser-Busch also remains committed to protecting and preserving the environment. In 1991 the company introduced national TV and print ads that focus on these efforts.

In addition, through the Anheuser-Busch Employee Volunteer Grant Program, the company recognizes employees who actively volunteer their services to nonprofit organizations by making grants to these organizations. The company also offers an employee Matching Gift Program for educational institutions.

CONSUMER AWARENESS AND EDUCATION

Anheuser-Busch has long believed that it is in the company's best interest, and in the interest of society as a whole, to play an important role in the fight against the abuse of alcohol beverages.

While the company's efforts were already the most extensive in the industry, they were enhanced dramatically in 1989 by the creation of the Department of Consumer Awareness and Education.

The group has a twofold mission: to use awareness and education as primary tools in the battle against alcohol abuse and to aggressively defend the right of brewers and beer consumers to make and enjoy beer without the fear of being unfairly stigmatized.

Current activities of the group include:

- The "Know When To Say When" advertising campaign, which features such celebrities as football's Dan Marino, auto racing's Scott Pruett and entertainers George Strait and Norm Crosby. In addition to reinforcing responsible drinking, the campaign specifically addresses drunk driving and underage drinking, generating hundreds of millions of consumer impressions each year.



- Two additional advertising campaigns which highlight the company's alcohol awareness efforts. The first commercial describes Anheuser-Busch's "Family Talk About Drinking" program, which offers parents of young children guidance when discussing alcohol and highlights the company's stand against underage drinking. A second commercial, "The People of A-B," uses employees from Anheuser-Busch to underscore the need for personal responsibility.
- Grass-roots programs designed to combat alcohol abuse. These programs are implemented at the local level by Anheuser-Busch wholesalers and retailers. Programs include: TIPS training for retail servers; "I'm Driving," which encourages the use of designated drivers; "Alert Cab," which provides safe rides home; the informative videotape, "Your Alcohol IQ"; "Good Sport," which promotes responsible spectator behavior at sporting events; "Family Talk About Drinking"; and a safe boating program.
- Support for groups dedicated to fighting alcohol abuse through research, awareness and education, such as the Inter-Association Task Force on Alcohol

Issues; the NCAA Foundation, a National Intra-Fraternity Foundation; the Health Education Foundation; and BACCHUS, a campus responsibility organization.



At a meeting held in December 1991, representatives of the alcohol beverage industry—including Anheuser-Busch— met with the Surgeon General to discuss the subject of underage drinking. While recognizing that health benefits are not relevant to the underage drinking issue, Anheuser-Busch and The Beer Institute emphasized that as a matter of public policy it was important to consider the growing body of scientific evidence which most recently found that moderate consumption of alcohol beverages produced certain kinds of health benefits. The two studies were conducted by researchers at Harvard Medical School and the University of Auckland (New Zealand) and were published in two prestigious medical journals in 1991.

Efforts such as those undertaken by the Department of Consumer Awareness and Education are designed to extend recent decreases in all major indicators of alcohol abuse.

INDUSTRY AND GOVERNMENT AFFAIRS

Anheuser-Busch Companies has always taken a leadership role in addressing issues that can have a major impact on the company and its stakeholders. The company's Industry and Government Affairs Department monitors legislative and regulatory developments at the national, international and local levels. Working with professional lobbyists, employees, wholesalers, retailers and America's 80 million beer drinkers, the company is well prepared to address today's political challenges.

Political Developments

The federal excise tax on beer was increased by 100% (to $18 a barrel) effective January 1, 1991, as required by the Budget Reconciliation Act of 1990. Although the final increase was one quarter of what had originally been proposed, it added an estimated $1.7 billion to the taxes paid by the beer industry and its consumers. The tax hike contributed to industry-wide sales declines which led to a loss of an estimated 31,000 brewing-related jobs during 1991. Additionally, reduced sales generated other losses for the government and for the economy of approximately $1 billion, essentially offsetting all but about $700 million of the excise tax increase. These impacts precluded any serious congressional consideration of additional excise tax proposals during the first session of the 102nd Congress.

Excise taxes continue to be an issue in the states. Due to extraordinary budget deficits, 35 states raised some form of tax in 1991, adding more than $16 billion in new revenues, a record. Despite the severe budget crises and the raft of new revenues, California was the only state to raise beer excise taxes, from four cents to 20 cents per gallon. Twenty-one other attempts to raise beer excise taxes were defeated. Anheuser-Busch played a leadership role in opposing such taxes because they fall most heavily on working men and women who already pay their fair share of taxes.

Federal legislation to require beer, wine and liquor advertising to carry warning messages similar to those seen in tobacco ads was re-introduced in 1991. While no substantive action occurred on this bill, the subject of beer advertising was the focus of considerable attention by the Surgeon General and certain federal agencies. Nineteen states considered some form of advertising restriction in 1991, but none of them were enacted. The weight of available



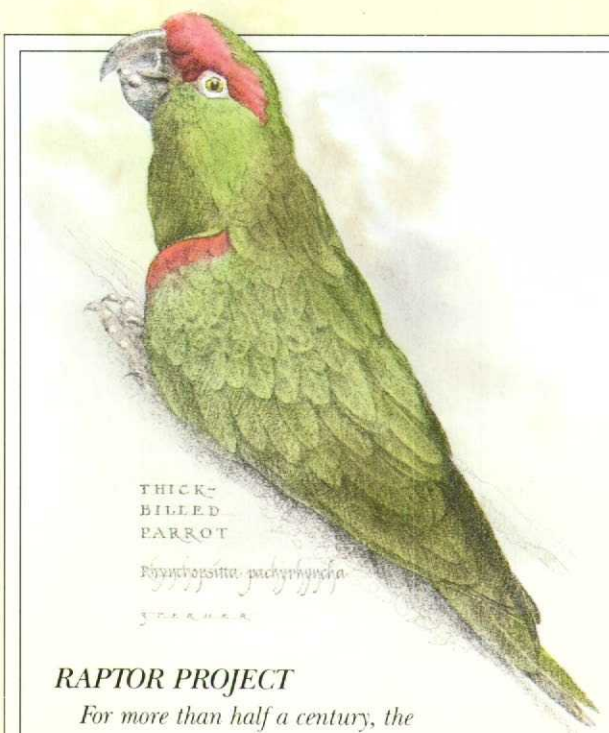
scientific evidence overwhelmingly supports Anheuser-Busch's position that alcohol advertising does not cause consumption or abuse. Studies and poll data also show that improved education and law enforcement—as opposed to government-controlled warnings in advertisements—are effective solutions to the problems of underage drinking, drunk driving and other forms of alcohol abuse. Anheuser-Busch continues to work hard in these areas, and we are confident that we can promote our products in an environment sensitive to the problem of underage drinking and other forms of abuse.

Federal and state government activity on environmental issues remained high in 1991. In response to a growing national concern about solid waste reduction, proposals for mandatory deposits on beverage containers received increased attention. A national mandatory deposit law as well as the Resource Conservation and Recovery Act, an omnibus solid waste management law, were considered by Congress in 1991. Neither bill passed and both will be under consideration again in 1992.

Forced deposit laws were also considered by 27 states during the year, but all were defeated. Anheuser-Busch continues to oppose such measures because they lead to drastically higher prices for consumers, are ineffective in reducing solid waste (since beverage containers make up only 2.5% of the solid waste stream by volume) and detract from comprehensive, multimaterial recycling programs that will be needed as our country enters the 21st century.

Anheuser-Busch has a long-standing commitment to conserving the environment. In 1991, the company's recycling subsidiary, Anheuser-Busch Recycling Corporation, achieved a milestone by recycling the equivalent of more than 100% of Anheuser-Busch cans that are sold.

In addition, efforts continue to be made to find ways to minimize the impact of all



RAPTOR PROJECT

For more than half a century, the Thick-billed Parrot has been extinct in its native land, the United States. Known for its green feathers, bright red head and flashing yellow stripes under its wings, the parrot fell victim to rapid reduction of its forest habitat, illegal hunting and trapping for the pet trade.

But now, thanks to the efforts of the Raptor Rehabilitation and Propagation Project, the species may get a second chance. Efforts are currently underway to reintroduce parrots bred in captivity to their historical range in Arizona.

The Raptor Project, located near St. Louis, is dedicated to preserving birds of prey of all types, including parrots, eagles, hawks, falcons, ospreys, vultures, condors and owls. Established in 1977 under the direction of the Washington University Tyson Research Center, the Raptor Project is supported in part by donations from Anheuser-Busch.

In addition, the St. Louis brewery serves as a protected nesting area for endangered peregrine falcons.

Anheuser-Busch brewing activities on the environment. A restatement of the company's policy and approach can be found in "A Pledge and a Promise" brochure, available by writing Anheuser-Busch Companies, Department of Industry and Government Affairs, One Busch Place, St. Louis, MO 63118.



HUMAN RESOURCES

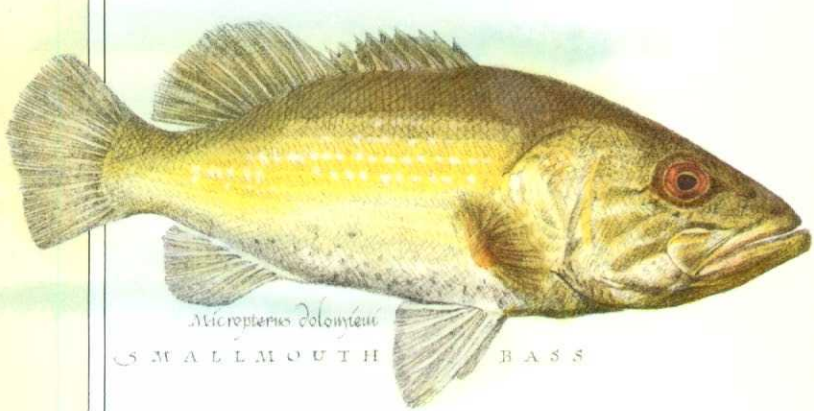
Anheuser-Busch Companies' commitment to quality is reflected not only in its products, but also in its people. The company recognizes the importance of human resources in the continued growth and success of its business operations and is dedicated to providing its employees with financially rewarding work and with continuing opportunities for personal development.

Corporate Human Resources focuses on identifying and implementing human resource programs that are necessary to accomplish business objectives. To that end, the company's human resources policies and programs are designed to create an environment of mutual respect and open, two-way communication.

To encourage communication and facilitate employee well-being, the company has implemented a number of innovative programs, including annual face-to-face communications meetings between senior management and employees at all major locations; Personnel Communications, a confidential way for employees to resolve job-related concerns; and an employee assistance program, which helps employees and family members cope with personal problems. In addition, the company understands the workplace/family issues faced by many of its employees and will continue to look at programs and policies that address them.

The company also believes that continuing education can help managers meet the increasingly complex challenges presented by today's business environment. Therefore, a curriculum of management development programs similar to those offered by top universities is presented for all levels of management.

In February 1991, the company reached agreement with the International Brotherhood of Teamsters on a three-year national labor contract covering the great majority of production and maintenance employees at its breweries. Subsequently, the company came to terms with all of the other unions representing brewery employees. The company's relationship with the unions representing its employees remains excellent.



OZARK RIVERWAYS CHALLENGE

Missouri's Ozark Scenic Riverways is a one-of-a-kind national park, comprised of a beautiful network of small rivers which are peaceful, clear and perfect for fishing and float trips. Unfortunately, an abundance of litter left by inexperienced or ill-prepared canoeists was beginning to mar the natural beauty of the waterways. Concerned for the future of the area and its wildlife, Anheuser-Busch decided to help.

The result was the Ozark Riverways Challenge, an anti-litter program developed in cooperation with the National Park Service and canoe concessionaires. The focus of the program involved providing a mesh litter bag to everyone who rented a canoe. Canoeists were also exposed to high visibility messages to encourage the use of the bags and the recycling of aluminum. Since its inception, the program has been expanded to recreational areas in other parts of the state, helping to preserve the natural beauty of Missouri's wilderness for generations to come.

ANHEUSER-BUSCH, INC.

Anheuser-Busch, Inc., which began operations in 1852, ranks as the world's largest brewer and has held the position of industry leader in the U.S. since 1957. More than four out of every 10 beers sold in the U.S. are Anheuser-Busch products.

In 1991, Anheuser-Busch, Inc. sold 86 million barrels, a decrease of .5% compared to 1990 sales of 86.5 million barrels. This sales decline was related to a consumer price increase averaging 11%, principally resulting from the 100% increase in the federal excise tax that became effective on January 1, 1991.

Anheuser-Busch, Inc. increased its market share in 1991 with sales volume representing approximately 44.1% of total brewing industry sales (including imports and non-alcohol) as estimated by The Beer Institute, compared with 43.4% the previous year.



Through the years, the Budweiser Clydesdales have become synonymous with quality and the King of Beers. They made their first appearance for Budweiser in 1933, when August A. Busch, Jr. gave a hitch to his father to celebrate the repeal of Prohibition. Today the company perpetuates this stately breed of horse. Between 15 and 20 foals are born each year.





BREWERY ENVIRONMENTAL AWARD

What does it take to win the prestigious Award for Distinguished Service in Environmental Planning?

As a recipient, the company's 12th and newest brewery in Fort Collins, Colo., knows. The design of the brewery and its operations is consistent with the company's commitment to make environmental responsibility a key criterion in the way it does business. The facility is designed to have as little impact as possible on Colorado's pristine mountain beauty. Reasons cited for the award included:

- *Use of natural gas, which has the lowest impact on air quality of all available fuels.*
- *A land application system which requires only 10% of the energy needed by traditional wastewater treatment systems. High organic waste streams are used to grow alfalfa.*
- *Recycling brewing materials to produce animal feed and industrial fuel alcohol.*
- *Securing more water rights than needed and donating the rights to Fort Collins to alleviate residents' concerns about water shortages.*
- *A donation to the Peregrine Fund, the most sophisticated peregrine falcon breeding and research laboratory in the world. The donation, which allowed the laboratory to expand and relocate to Idaho, was made when it was discovered that a needed highway interchange would have to be constructed too near the laboratory.*

Net sales of the company's brewing operations rose to $7.42 billion, a 1.7% increase over 1990 net sales of $7.29 billion. Additionally, the company paid federal and state beer excise taxes of $1.64 billion in 1991 compared with $868.1 million in 1990. Due to the 100% increase in the federal excise tax, total excise taxes now approximate the company's operating profit.

The foundation of the company's past success and future growth is based on product quality, a comprehensive marketing effort, a solid wholesaler distribution system, and the most dedicated, professional employees in the industry.

Anheuser-Busch remains firmly committed to product quality, which has been the fundamental, irreplaceable ingredient in its successful performance for more than 100 years. The company continues to emphasize the quality and value of each of its beer brands in its marketing efforts. While a traditional, all-natural brewing process is used, modern technology is also employed to ensure the quality and consistency of the company's products.

Productivity improvement efforts are one way that the company controls costs while maintaining quality. By finding new and innovative ways to increase efficiencies, the company is able to make better use of its resources and thereby increase volume at lower cost. Anheuser-Busch also works with its suppliers to lightweight its packaging materials, which results in the use of less natural resources.

During the last 10 years, Anheuser-Busch employees have made substantial efforts to find better ways to do their jobs without compromising quality. In addition, the company has an aggressive capital investment program. Together, these activities have generated total expense reductions of $650 million.

In addition, the employee suggestion program has been very successful in identifying new cost reduction opportunities in the breweries. In 1991, approximately 4,300 suggestions were received, a participation rate of more than 39%.

Anheuser-Busch also works in partnership with the wholesaler family to develop ways to improve wholesaler volume growth and profitability through productivity.

Products/Marketing Strategy

The hallmarks of beer as a consumer beverage are quality, flavor, drinkability, convenience and thirst-quenching properties. All of these fit well with the increasingly active, health-conscious and family-oriented lifestyle of the American consumer. More than 80 million Americans regularly drink beer.

Anheuser-Busch, Inc.'s naturally brewed brands include 14 beer brands, a nonalcohol brew and three high-quality imports.

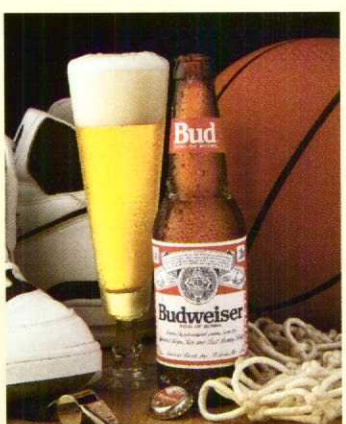
During 1991, Anheuser-Busch set four strategic objectives for 1992. Key among these is to grow the company's premium brands. In order to do so, the company intends to focus on the Budweiser family of brands; put renewed emphasis on the Michelob family, including an expansion of test marketing for Michelob Golden Draft and Michelob Golden Draft Light; and build on the success of O'Doul's—a nonalcohol brew—by putting additional support behind the brand.

Other objectives for the coming year include improving the profitability of sub-premium-priced brands, increasing productivity efforts and continuing to adapt to the changing business environment.

Despite the sluggish performance of the beer industry in 1991, Anheuser-Busch brands overall did very well.

The entire Budweiser family benefitted from a record-breaking Bud Summer Promotion, which featured "The Search for Bud Man." In addition, Budweiser introduced a new advertising campaign in October 1991, updating its "Nothing Beats a Bud" theme with a new consumer focus. The campaign also points out that Budweiser is the only beer with "a taste as genuine as the people who drink it." Bud Dry followed its record-breaking introductory year with a solid month-to-month growth in its second year. It continued to gain new drinkers with its unique product taste characteristics and its popular "Why Ask Why?" campaign. Finally, Bud Light continued to grow in 1991, outpacing both Miller Lite and Coors Light. Contributing to the brand's excellent performance was its strong "Magic Truck" TV spots, which captured the attention of contemporary adults; new sports sponsorships; and a stepped-up involvement in regional marketing programs.





A new advertising agency was selected for the Michelob family of beers, which includes Michelob, Michelob Light, Michelob Dry and Michelob Classic Dark. The new advertising campaign is titled "Some Days Are Better Than Others" and began airing in early 1992.



In addition, two new premium brands from Michelob were introduced into test markets in April 1991—Golden Draft and Golden Draft Light. Based on the success of the brands in initial test markets, additional test markets were added in the fourth quarter of 1991.

The Busch family performed very well in 1991. Busch Light was the fastest-growing major brand in the U.S. in 1991, with sales increasing at approximately 50% over the rollout year. Despite the overwhelming success of this brand, Busch continues to grow, outpacing both the industry and sub-premium categories. In 1991, Busch introduced a new advertising campaign called "Mountain Man," which supports both the Busch and Busch Light brands.

Natural Light continues as the number one light brand in the sub-premium-price category and enjoyed its eighth consecutive year of double-digit growth. In 1991, Natural Light became the 10th-largest-selling brand in the country. In the second quarter of 1991, Natural Pilsner—a regular-caloried companion brand to Natural Light—was introduced in six states, with positive results.

Last year also marked the first time that Anheuser-Busch has taken over the leadership role in the light beer segment in terms of total light beer volume. When compared to the combined sales of light brands produced by any other brewer, Anheuser-Busch now sells the most light beer in the industry.

O'Doul's—Anheuser-Busch's nonalcohol brew—continues to experience strong growth in this expanding category, with sales nearly doubling from 1990 to 1991. O'Doul's continues to make strong progress toward being the number one nonalcohol brew in the category. It gained seven share points in 1991. Positioned as "What beer drinkers drink when they're not drinking beer," the brand also complements the company's alcohol awareness efforts by offering an alternative for those occasions when alcohol beverages are not appropriate.

Anheuser-Busch also brews King Cobra malt liquor, the third-largest-selling malt liquor in the U.S. King Cobra maintains a quality, contemporary image as "The New Class in Malt Liquor." The brand team works closely with wholesalers and the com-



pany's field sales force to promote a positive brand image.

In addition to Anheuser-Busch's own brands, the company imports three brands from Denmark: Carlsberg, Carlsberg Light and Elephant Malt Liquor.

In 1992, Anheuser-Busch will continue its decade-long involvement with the United States Olympic Committee (USOC). As the exclusive malt beverage sponsor of the USOC, Anheuser-Busch will contribute more than $5 million to the organization through 1992. During the 1992 Olympic year, the company will promote the Budweiser and Michelob families with Olympic-themed advertising, sales promotion, merchandising and packaging.

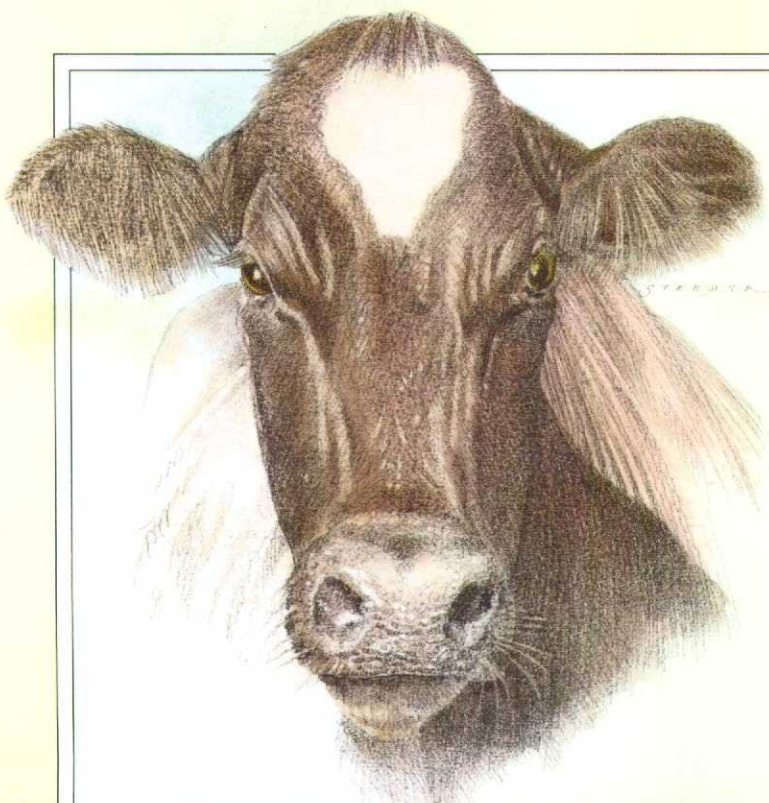
In addition to its direct beer marketing efforts, the company supports many philanthropic organizations, including the Muscular Dystrophy Association. As a national sponsor, the company and its wholesalers raised $5.2 million in 1991 for the annual Jerry Lewis Labor Day Telethon.

Expansion and Modernization

In 1991, Anheuser-Busch continued to seek improved operating efficiency through modernizations and to expand capacity to meet increasing demand. The company's largest modernization, which will be completed at the St. Louis brewery in 1993, has already provided one million barrels of additional capacity.

In addition, the company's 13th brewery is under construction in Cartersville, Ga. The most modern and efficient of Anheuser-Busch's breweries, it will provide 6.5 million barrels of new capacity when completed.

The company also executed a series of line conversions to accommodate both traditional and packaged-draft packaging options. These conversions give Anheuser-Busch greater flexibility to meet consumer preferences.

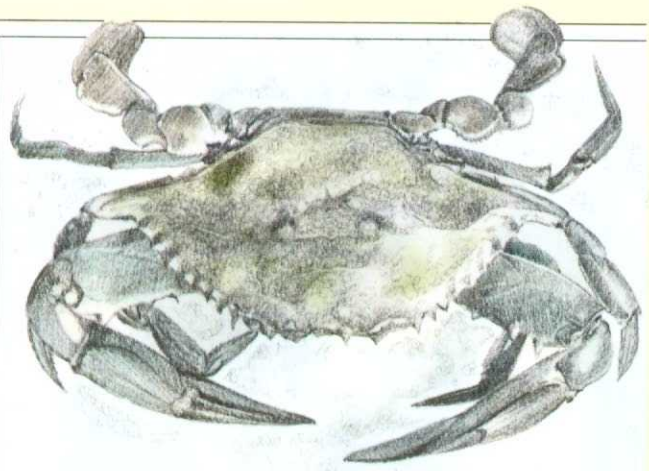


SPENT GRAIN FOR CATTLE FEED

The idea of using spent grain as cattle feed is nothing new to Anheuser-Busch. Records show that in 1899, company founder Adolphus Busch arranged for the shipment of four million pounds of protein-rich dried brewer's grain to farmers in Europe.

Today, all Anheuser-Busch breweries and production facilities across the country are committed to reclaiming and recycling all processing residuals. Spent grains, spent hops, yeast and other by-products are reclaimed from the brewing process, leaving an animal feed high in protein. The grain is loaded onto trucks and sold to cattle farmers in various parts of the country. Anheuser-Busch recycles enough wet and dried spent grain to feed at least a quarter of a million dairy cows each year.

Fuel energy also can be reclaimed from these brewing by-products. Through distillation, substantial quantities of alcohol are recovered for use as industrial fuel.



CHESAPEAKE BAY CLEAN-UP CAMPAIGN

Everyone loves Chesapeake Bay...maybe too much. Unchecked recreational use and overdevelopment are contributing to the quick demise of this shallow, extremely sensitive estuary known for its abundance of oysters and crabs.

Helping to save the bay are Anheuser-Busch and its Chesapeake Bay-area wholesalers, who joined with the government and various environmental groups to launch a comprehensive public education campaign called "Together We Can Turn the Tide."

The campaign includes television and radio commercials reminding Chesapeake Bay-area residents of the importance of protecting this priceless natural resource. In addition, company wholesalers sponsored special educational and point-of-sale materials listing 10 ways that every citizen can help restore the bay.

Included in the list are such things as conserving water, eliminating lawn chemicals and preventing used motor oil or other pollutants from draining into sewers.

Distribution

Anheuser-Busch, Inc. wholesalers and company-owned wholesale operations together provide the industry's most effective distribution system, setting standards of excellence and leadership with innovative operations and programs.

Approximately 900 independent wholesalerships distribute Anheuser-Busch, Inc. beers throughout the U.S. Communication is a key strength of Anheuser-Busch, Inc.'s distribution system. A vital part of the communications effort is the Anheuser-Busch Wholesaler Advisory Panel. The panel offers wholesalers and company management the opportunity to openly communicate about—and act upon—key company and industry issues.

The Wholesale Operations Division of Anheuser-Busch, Inc. operates 11 company-owned distributorships located in Boston; Manhattan/Queens; Newark; Louisville; Chicago; New Orleans; Tulsa; Denver; and, in California, Sylmar, Riverside and Stockton. This division is responsible for testing and developing programs designed to build market share and increase productivity for the company and its independent wholesalers. These operations also provide "street-level" insight to management, which results in better understanding of various wholesaler issues. In addition, they serve as a key training ground for future Anheuser-Busch managers.

The Anheuser-Busch Investment Capital Corporation (ABICC), formed in 1984 to share equity positions with qualified partners in Anheuser-Busch, Inc. distributorships, is currently invested in 21 wholesalerships. These investments provide the operating

general partners the opportunity to function as independent wholesalers while increasing their equities and building toward total ownership. By providing needed capital for qualified candidates, ABICC plays a prominent role in strengthening the brewer-wholesaler team.

Environmental Impact

While concern for the environment is nothing new at Anheuser-Busch, Inc., the attention being focused on these efforts has increased significantly. The company's commitment to the environment is more than a series of "programs." It is a way of doing business.

Currently environmental engineers at each brewery monitor all activities to ensure compliance with governmental regulations. In addition, they, along with the breweries' environmental quality committees, look for ways above and beyond regulatory minimum standards to improve the company's performance in the areas of recycling and water and energy conservation. Employees from a variety of disciplines volunteer their time to serve on these committees.

Currently the breweries are working toward specific annual objectives in a number of broad categories, including waste minimization, energy conservation and purchasing recycled materials.

In addition, anaerobic wastewater treatment facilities were constructed in 1991 at the Jacksonville and Baldwinsville breweries, and a third facility is being built in Cartersville. This bio-energy recovery system uses anaerobic bacteria in a three-step process to convert brewing by-products into methane (natural gas). The gas is then recovered, piped back into the brewery and used as fuel. The anaerobic process saves energy and reduces the amount of wastewater treatment sludge produced by 80%.



While there is always room for improvement, 1991 results indicate good progress. For example, in addition to recycling rejected or damaged cans and bottles, Anheuser-Busch recycled:

- 24 tons of corrugated paper
- 740.5 tons of office paper
- 982 tons of scrap metal
- 1.5 million tons of brewers grain
- More than 700,000 soft drink cans (employee volunteer effort with proceeds donated to charity)

ANHEUSER-BUSCH INTERNATIONAL, INC.

Anheuser-Busch International was formed in 1981 to develop Anheuser-Busch beer brand sales outside the United States. As the world's largest brewer, Anheuser-Busch is uniquely positioned to take advantage of the emerging global marketplace. Today Anheuser-Busch brands are exported to more than 40 countries and licensed- or contract-brewed in five countries.



Anheuser-Busch International posted record volume and profits in 1991, reflecting growth in existing markets and aggressive export expansion. Volume was up approximately 15%, with strong growth in all three operating regions.



Anheuser-Busch Europe, Inc.

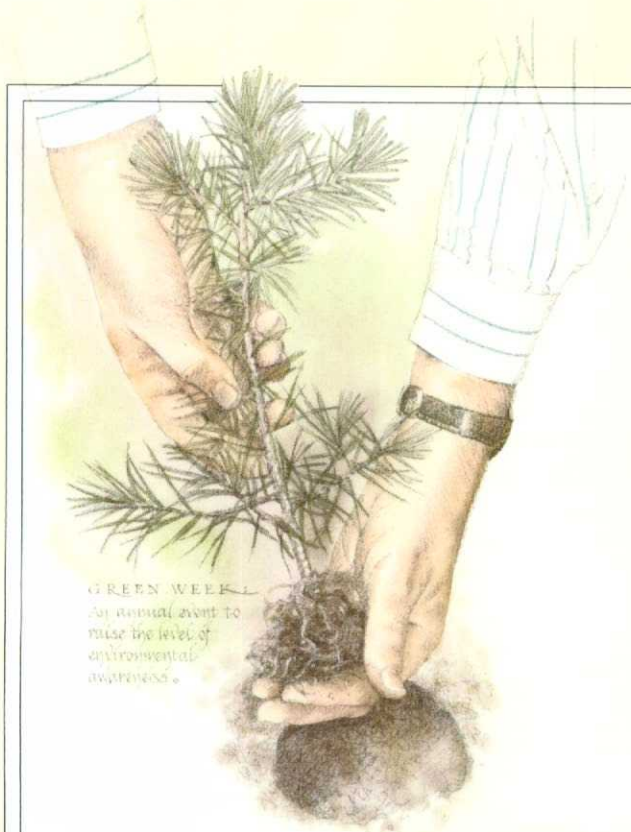
The European beer industry is undergoing dramatic changes in anticipation of the elimination of trade barriers and the move toward market-based economies. In order to take full advantage of the opportunity, Anheuser-Busch European Trade Ltd. was formed in 1990 to develop the sales, distribution and marketing of Anheuser-Busch beer brands in Europe. A-B Europe, Inc. will continue to oversee the efforts of Anheuser-Busch's licensed-brewing partners.

European sales continue to outperform the industry, with volume up more than 25% in 1991. These gains were made primarily in the established markets. Anheuser-Busch European Trade Ltd. now trades in 17 countries, including 10 of the 12 EEC member states.

In the United Kingdom, the licensed-brewing agreement with Courage was replaced with a contract brewing agreement. Under the new agreement, Anheuser-Busch European Trade Ltd. will assume direct control of Budweiser's marketing and distribution. Michelob continues to gain market share within the import segment in the United Kingdom.

In the Republic of Ireland, Budweiser has been brewed, marketed and distributed since 1986 under a licensing agreement with Guinness-Ireland. The brand achieved sales growth of 48% in 1991, and is now firmly established as one of the leading brands in the highly competitive lager segment.

Budweiser has achieved market leadership in the import segment in



GREEN WEEK

Anheuser-Busch employees are going "green." From composting phone books in Baldwinsville, N.Y., to planting trees in Houston, employees at all 12 breweries are working hard to preserve and protect the environment.

While many employees have participated in recycling programs for years, "Green Week" was introduced in 1991 as an annual event to raise the level of environmental awareness.

Green Week, which is observed in various ways by each brewery, includes a blend of fun and serious events designed to stress the important role each employee plays in protecting the environment. In 1991, green costumes, green donuts, contests and recycling incentives were among the activities designed to draw attention to Anheuser-Busch's overall efforts to conserve resources and reduce waste. In response to employee suggestions, several new environmental programs have been implemented, including recycling beechwood chips and plastic strapping from pallets and replacing nonreturnable drums with reusable containers.

Finland since its successful introduction in 1989.

Anheuser-Busch Asia, Inc.

In Japan, Budweiser has been distributed by Suntory Limited since 1981. As a result of aggressive marketing and merchandising, Budweiser enjoyed a volume increase of more than 14% in 1991—three times the industry growth rate. Budweiser is firmly established as the leading international beer brand in Japan, with a share exceeding 60% of the category. The brand is well positioned for continued strong growth.

In 1986, a licensed-brewing agreement was signed with Oriental Brewing Co., Ltd., of Seoul, South Korea. Budweiser has established a share in excess of 60% of the international beer brands category in that country.

The Asia/Pacific region provides a large and growing export business for Anheuser-Busch brands. In 1991, exports to Micronesia, Taiwan and Hong Kong were key contributors to the region's strong performance.

Anheuser-Busch International/Americas

In Canada, Budweiser and Bud Light continue to be brewed and distributed by Labatt Brewing Company. Budweiser was one of the few nationally distributed brands that recorded growth in 1991, with a market share exceeding 5%. In 1991, Busch and O'Doul's were introduced in the Canadian market.

After a 1989 introduction in Mexico, Budweiser continued its strong performance in 1991. The brand is available through an export distribution agreement with Modelo, S.A., the largest Mexican brewer. This relationship with Modelo provides a very effective distribution network for Budweiser and offers significant opportunities for future growth in the world's eighth-largest beer market.

Other exports to Central and South America performed well, and new market opportunities are continually being explored.

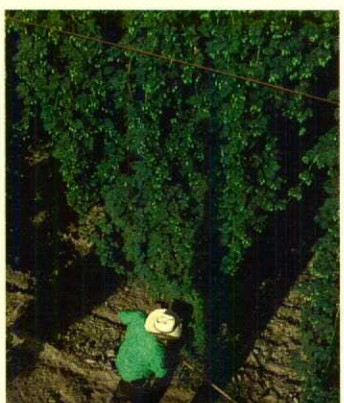
BUSCH AGRICULTURAL RESOURCES, INC.

Busch Agricultural Resources continues in its primary role of supporting Anheuser-Busch, Inc. in the areas of high-quality raw materials supply and land application of process water.

Busch Agricultural operates three malt plants, in Moorhead, Minn.; Manitowoc, Wis.; and Idaho Falls, Idaho. Together, they supply approximately 33% of Anheuser-Busch's malt needs.

The subsidiary operates two rice mills—in Woodland, Calif., and Jonesboro, Ark.—which are capable of producing 50% of the company's brewing rice requirements. Rice research centers have also been established in Jonesboro, Ark., and Pleasant Grove, Calif., to investigate and develop new rice varieties for use in brewing.

New varieties of malting barley are developed at the subsidiary's barley research center in Fort Collins, Colo. This research effort continues to be the largest of its kind in North America.



Busch Agricultural's 12 elevators and four seed processing plants supply approved malting barley varieties to growers and receive their malting barley crop. The plants are strategically located throughout the Upper Midwest and Intermountain areas of the U.S. to ensure a consistent and high-quality malting barley supply of the varieties preferred by Anheuser-Busch. These company-owned facilities can handle more than 50% of Anheuser-Busch's total malting barley requirements.



In 1987, Busch Agricultural began growing hops at Elk Mountain Hop Farms, a 2,000-acre hop farm located near Bonners Ferry, Idaho. The farm has been developed in stages and is now completed. This operation supplies approximately 7% of Anheuser-Busch Inc.'s hop requirements. In addition, Busch Agricultural owns and operates a hop farm in Huell, Germany.

Busch Agricultural also operates Nutri-Turf, Inc. The objective of this operation is to significantly reduce utility expenses at breweries and snack plants through land application of process water to turf or alfalfa crops. Nutri-Turf operations are located in Jacksonville, Fla.; Fort Collins, Colo.; Robersonville, N.C.; and Fayetteville, Tenn.

ANHEUSER-BUSCH RECYCLING CORPORATION

(Formerly Container Recovery Corporation)

Anheuser-Busch Recycling Corporation (ABRC) had a very successful year in 1991, recycling approximately 600 million pounds of used aluminum beverage cans. ABRC now recovers the equivalent of more than 100% of the Anheuser-Busch beer cans that are sold.

In addition to used aluminum beverage cans, ABRC recycled 65 million pounds of glass (130 million bottles) and 30 million pounds of paper goods. ABRC operations reflect Anheuser-Busch's concern for reducing litter, reclaiming vital raw materials used in packaging, addressing the country's solid waste problem and providing a positive alternative to mandatory deposit legislation.

More than 1,000 Anheuser-Busch, Inc. wholesaler operations and other recycling organizations are active in the voluntary recycling programs established and supported by ABRC. The subsidiary provides equipment, advertising and marketing expertise to these centers. ABRC also works with independent recycling companies and municipalities to provide a market for their materials.

ABRC opened its fifth processing facility in Charlotte, N.C., in 1991. Other facilities are located in Marion, Ohio; Nashua, N.H.; Cocoa, Fla.; and Union City, Calif. These plants collect and process aluminum, glass and corrugated paper for shipment back to the primary producers of these products. The Marion and Nashua facilities' major operation is to sort, inspect, package and ship returnable bottles to the Anheuser-Busch breweries in Columbus, Ohio, and Merrimack, N.H.



METAL CONTAINER CORPORATION

Metal Container Corporation, one of the leading metal beverage container manufacturers in the United States, operates 10 can and lid plants. In 1991, Metal Container produced more than 14 billion cans and 15 billion lids.

In addition to supplying the majority of its output to Anheuser-Busch, Inc., Metal Container has established commercial partnerships with several significant soft drink bottlers throughout the United States. The subsidiary also sells some containers in export markets.

Metal Container continues to build on its reputation as a supplier of high-quality, cost-competitive aluminum beverage containers. The company is committed to increasing its share of the metal beverage container market by expanding its business base with new and existing customers.

INTERNATIONAL LABEL COMPANY (Joint Venture)

International Label Company is a joint venture between Illochroma International, S.A., of Brussels, Belgium, and Metal Label Company, a wholly owned subsidiary of Anheuser-Busch Companies. In 1991, International Label produced more than nine billion high-quality metalized labels using "state-of-the-art" vacuum metalizing and rotogravure printing technologies.

Two major expansions, in 1989 and 1991, have significantly increased capacity and capabilities. These expansions provide the opportunity to expand sales in the current label business and



ALUMINUM RECYCLING

At Anheuser-Busch, the container recycling goal is simple: to recycle the equivalent of 100% of the Anheuser-Busch beer cans that are sold. In 1991, that goal was met.

Helping the company to meet that goal was Anheuser-Busch Recycling Corporation (ABRC), which reflects the company's concern for reducing litter, reclaiming vital raw materials and providing a positive alternative to mandatory deposit legislation.

Nationally, in 1991, about 60 percent of all aluminum cans were recycled—saving 12 billion kilowatt-hours of electricity or the energy equivalent in oil of 20 million barrels. In more common terms, recycling one aluminum can saves enough energy to power a television set for three hours. The total energy saved from recycling aluminum cans is enough to power the city of Boston for one full year.

ABRC is constantly working to raise the visibility of recycling and to make it easier for all Americans to participate. While voluntary recycling reduces litter and solid waste and conserves natural resources, more and more charitable groups have discovered that it is also a profitable fund-raising activity. ABRC has paid individual recyclers and civic groups more than $800 million for their collected materials during the past 12 years.

to develop a new market for the company in unprinted metalized paper.

In addition to providing labels for Anheuser-Busch, International Label also serves customers in the food, petroleum, paint, household products and beverage industries.



BUSCH CREATIVE SERVICES CORPORATION

Busch Creative Services Corporation, Anheuser-Busch's creative marketing communications subsidiary, achieved record sales in 1991 as it continued to diversify its client base for its major product lines—sales promotion and business meetings. Busch Creative produced award-winning materials and events for Anheuser-Busch Companies and other Fortune 500 corporations.

Innervision Productions, Inc.—Busch Creative's video production and post-production subsidiary located in St. Louis—expanded its post-production capabilities with the addition of state-of-the-art digital editing systems and new audio suites.

Optimus, Inc.—the company's Chicago film and video post-production subsidiary—continues to be the leading supplier of film and video editorial services to the Chicago advertising community.

ST. LOUIS REFRIGERATOR CAR COMPANY

St. Louis Refrigerator Car Company provides commercial repair, rebuilding, maintenance and inspection of railroad cars at three facilities in Missouri and Illinois. In 1991, the company completed its 113th year of operation.

MANUFACTURERS RAILWAY COMPANY

Manufacturers Railway Company, which was 104 years old in 1991, provides terminal rail switching services to St. Louis industries. It operates hopper cars, boxcars and insulated beverage cars which are used by Anheuser-Busch and other shippers.

In addition, Manufacturers Railway subsidiaries furnish trucking and warehouse services at six Anheuser-Busch brewery locations. These subsidiaries are located in St. Louis, Mo.; Houston, Tex.; Van Nuys, Calif.; Fort Collins, Colo.; Saratoga Springs, N.Y.; and Williamsburg, Va.



FOOD PRODUCTS OPERATIONS

CAMPBELL TAGGART, INC.

Campbell Taggart is a highly diversified, Dallas-based food products company with operations in about 35% of the United States and in certain European markets. In 1991 the company enjoyed significant improvement in operating profit.

Bakery Operations

Campbell Taggart's bakery division, which accounts for 65% of the company's sales, made significant gains in market share during the year and enjoyed a number of highly successful product introductions.

In 1991, the company completed one of the most successful new product introductions in its history—IronKids bread. This brand created an entirely new category in baked goods by solving a perennial problem—pleasing both kids, who prefer the taste and texture of white bread, and parents, who want their kids to eat whole wheat bread. IronKids bread combines the two preferences, baking in all



Wholesome ingredients form the basis for Campbell Taggart and Eagle Snacks products. In both bread and snacks, Anheuser-Busch is offering more and more alternatives for health-conscious consumers.



the important nutrients of enriched white bread while providing the same amount of fiber found in whole wheat bread.

As the first of its kind, IronKids bread has become the hottest new bread product in the market. Despite its newcomer status, IronKids bread consistently ranks among the top-selling branded breads throughout Campbell Taggart's distribution area.



A key strength of the brand is its alignment with the IronKids Health and Fitness Program. This program began in 1985 with the Rainbo/Colonial IronKids Triathlon Series. Since then the program has expanded and now includes three elements:

- IronKids Triathlon—The only national triathlon series for kids in the country, the IronKids Triathlons feature short-distance swimming, biking and running events for children age 7-14. In 1991, triathlons were conducted in 17 cities.
- IronKids Path to Health and Fitness Program—This program is offered free to health and physical education teachers in grades 2-8 and promotes fitness, good nutrition and a positive attitude.
- IronKids Club—The club is designed to inspire children to pursue a physically and emotionally healthy lifestyle. Membership is free.

Grant's Farm is a line of soft variety breads that combine the hearty taste of wheat bread with the moist texture of white bread. Additional varieties were introduced in 1991, including split-top wheat, split-top white and buttermilk wheat, and the brand generated record sales. Further expansion of Grant's Farm is planned for 1992.

Campbell Taggart's Earth Grains division produces one of the widest varieties of premium baked goods in the country, including variety breads, rolls and buns, croissants, snack cakes, muffins, crackers, croutons and pretzels. The division, which operates six plants located throughout the U.S., produces more than 80 products under the Earth Grains label.

Earth Grains Light 35—a reduced-calorie bread—was also successfully introduced in 1991. Additional varieties of Light 35, which contain only 35 calories per slice, will be offered in the future.

In addition to supplying Campbell Taggart's other bakeries, Earth Grains has attracted a number of contract manufacturing and food service customers due to its diverse manufacturing capability and national distribution system.

In 1991, the Earth Grains division continued to expand its food service sales to restaurants and began producing microwaveable hamburger buns, hot dog buns and breakfast muffins under contract manufacturing agreements with several large food companies.

The Break Cake line of snack cakes also experienced continued growth in 1991. Break Cake is being successfully repositioned to appeal more to children, and several promotional programs have been developed for that purpose.

In January 1991, Campbell Taggart completed the start-up of a new facility in Atlanta that contains more than 160,000 square feet of manufacturing capacity and represents an investment of approximately $30 million. The new facility replaces a 60-year-old bakery that could not be expanded to accommodate the rapidly growing Atlanta market.



Campbell Taggart's close working relationship with Sea World continued in 1991. Break Cake featured on-pack promotions using Sea World characters, and the IronKids Bread Triathlon National Championship was held at the Sea World park in San Antonio, Tex. More than 500 children participated.

Refrigerated Products

Campbell Taggart's Merico subsidiary is the largest manufacturer of private label dough products in the U.S., with a one-third share of the refrigerated dough market. Merico had record sales and earnings in 1991.

During the year, Merico introduced Rightshape biscuits, a cholesterol-free line of biscuits. Merico's refrigerated dough line also includes regular biscuits, dinner rolls, sweet rolls, Danish, cookies, breads and bread sticks. Work continues on a multi-million-dollar manufacturing modernization program for Merico's refrigerated dough plants, which will be completed in 1993.

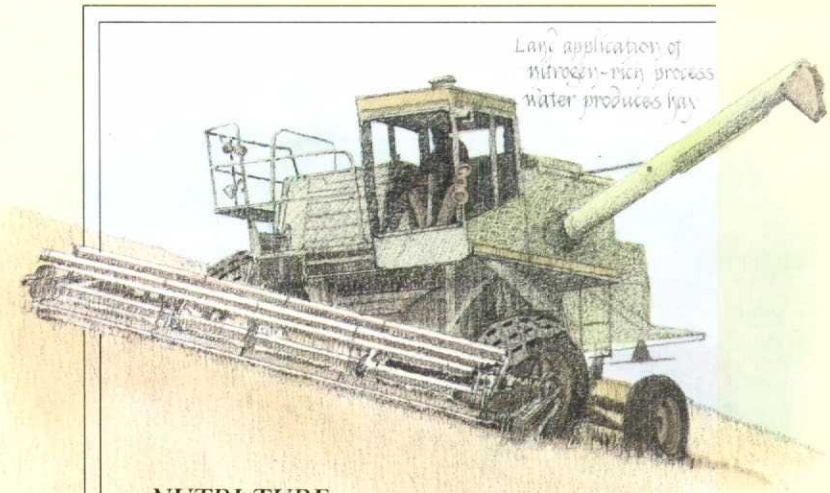
Merico also makes a variety of salad dressings, dips and toppings, as well as creamers and dairy and non-dairy sour cream, for food service and retail customers. Merico's Slender Choice line of dips and non-dairy sour cream is sold in retail grocery stores. This line of products is cholesterol- and lactose-free and contains 45% fewer calories than comparable dairy products.

Merico also offers a line of single-portion salad dressings targeted to the food service sector as well as to consumers who want the convenience of pre-portioned servings.

In 1991, under its Rod's retail brand line, Merico introduced a new dip and dressing flavor, Creamy Salsa; a Texas-Style barbecue sauce; and a non-dairy whipping cream, Rod's Bakers Creme.

Frozen Foods

Campbell Taggart's frozen food subsidiary, Eagle Crest Foods, markets a



NUTRI-TURF

While a blizzard rages in the Colorado Rockies, a warm, stabled horse munches contentedly on an Anheuser-Busch product—hay, that is, produced through Nutri-Turf, the sod and hay farming subsidiary of Busch Agricultural Resources, Inc. The crops are produced through the process of land application, which is the agricultural practice of fertilizing crop lands with nitrogen-rich manufacturing process water. The result is not only safe wastewater disposal, but an end product—thick, rich grass or hay—which is used on golf courses, athletic fields and commercial and residential developments or sold locally as livestock feed.

Nutri-Turf manages and operates four land application programs—two at Anheuser-Busch, Inc. breweries in Jacksonville, Fla., and Fort Collins, Colo.; and two at Eagle Snacks, Inc., plants in Robersonville, N.C., and Fayetteville, Tenn.

Land application makes sense for Busch Agricultural Resources for many reasons. It is environmentally efficient in that it involves recycling of both water and nutrients. It conserves energy by reducing plant utility costs and reduces demand on local wastewater treatment facilities. And it generates revenue for the company from the sale of sod and hay.

diverse array of products. In 1991, Eagle Crest introduced three new Mexican food frozen dinners to its El Charrito retail line and also significantly expanded its food service sales.



International

Campbell Taggart's international operations experienced another year of sales growth in 1991. The company's Spanish subsidiary, Bimbo, S.A., maintained its position as the market leader in sales of high-quality bakery products.

In France, Europate, S.A. manufactures frozen and refrigerated dough products. In 1991, it expanded sales and distribution and enjoyed a record year in both sales and earnings. A major capital expansion is now underway at this plant to ensure continued growth.

Other

Campbell Taggart's folding carton packaging division produces folding cartons for sale to other Campbell Taggart divisions and outside customers.

EAGLE SNACKS, INC.

In 1991, Eagle Snacks was again the fastest-growing company in the salted snack industry, moving into a strong number three position behind industry leader Frito-Lay and number two Borden. The salted snack category is large and growing, with sales exceeding $11.8 billion, a 6% increase over 1990.

Early in 1991, Eagle introduced Nacho Cheese and Ranch tortilla chips into most of the U.S. This successful rollout moved Eagle Snacks into the number two position in the profitable tortilla chip category. Eagle also continued its pattern of strong potato chip sales growth, achieving an overall market share of 10% in supermarkets. Eagle Thins potato chips became Eagle Snacks' first $100 million brand.

Eagle also maintained its solid number two position in the nuts category. Although volume in this category was flat, Eagle showed good growth in the oil-roast segment as the 1990 rollout items—Fancy Virginia peanuts and Lightly Salted mixed nuts—continued to grow.

The Cape Cod brand experienced solid volume growth in its core New England market area due in part to the introduction of three new flavors—Barbecue, Sour Cream and Chive, and Sea Salt and Vinegar. Cape Cod potato chips continue to be the best-selling brand in New England.



ENDANGERED SPECIES PROGRAM

At Tampa's Busch Gardens, nestled among dusty rock mountains and drapes of exotic vines, a herd of Asian elephants gives visitors a glimpse of what life was like in the wild. Such imaginative settings may be all that's left for many endangered species which are rapidly losing their homes in the wild. For example, the number of Asian elephants has dwindled to only about 30,000, scattered throughout isolated areas of 10 Asian countries.

The elephants are just one of the more than 40 species of mammals, birds and reptiles that are being protected and bred through Busch Gardens' endangered species breeding programs. The species are kept in elaborate, lifelike settings that are designed to closely resemble the animals' natural habitats.

In addition to increasing what has become North America's largest breeding herd of Asian elephants, Busch Gardens has successfully bred rare white tigers, black rhinoceros and many other animals threatened with extinction due to habitat destruction and illegal hunting.

ENTERTAINMENT OPERATIONS

BUSCH ENTERTAINMENT CORPORATION

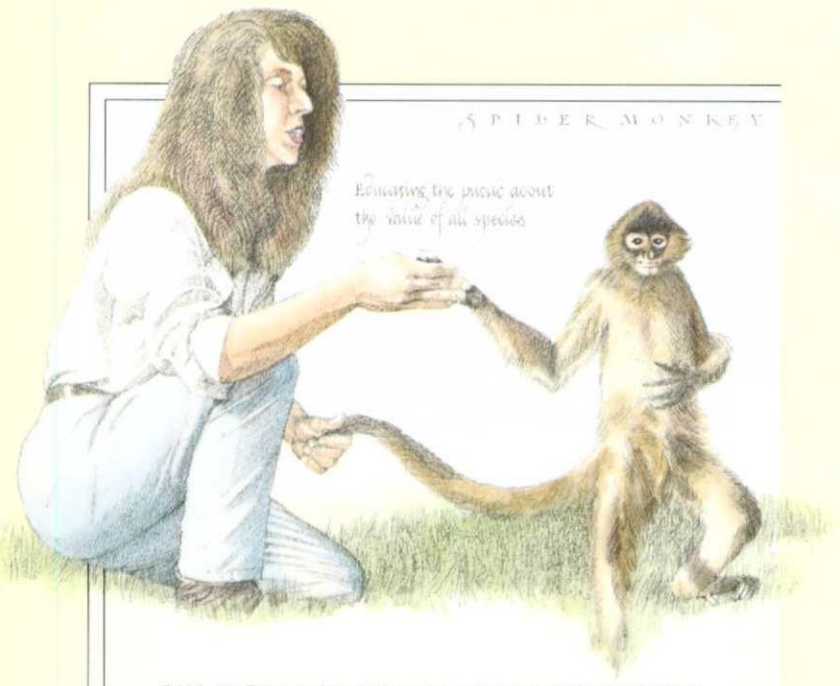
Busch Entertainment Corporation operates Busch Gardens in Tampa, Fla. and Williamsburg, Va.; Sea World in Orlando, Fla., San Antonio, Tex., Aurora, Ohio and San Diego, Calif.; Cypress Gardens in Winter Haven, Fla.; Adventure Island in Tampa; and Sesame Place in Langhorne, Pa.

1991 attendance at Busch Entertainment facilities varied by location. At Busch Gardens Tampa, Cypress Gardens and Sea World of Florida, attendance declined versus the previous year, reflecting Florida tourism trends. Busch Gardens in Williamsburg and Sesame Place both had record attendance. At Adventure Island and Sea World parks in California, Texas and Ohio, attendance also was up.



Both Busch Gardens and Sea World are dedicated to protecting marine and land species through conservation, research and education efforts. The Bengal tiger is just one of the many species that finds a safe haven at these facilities.





SEA WORLD/BUSCH GARDENS EDUCATION

In an Orlando grade school, a seal puppet and an inflatable whale are helping a class of third graders learn more about marine life. In a Tampa school cafeteria, a kindergarten class sees a corn snake, a spider monkey, a Magellanic penguin and an American alligator while learning about protected species.

These special educational programs of the Busch Entertainment parks bring hands-on science to students in their classrooms. By catering to young audiences, Sea World and Busch Gardens hope to develop more aware, ecologically minded citizens.

More than half a million children and adults participate each year in the Busch Entertainment parks award-winning educational programs, which are conducted both in the classroom and on park premises. Displays and exhibits—along with formal educational programs such as teacher seminars, student field trips and special activities for the hearing and visually impaired—are designed to explain the mysteries of our planet and to inspire all participants to take an active role in preserving land and marine species.

Through their many educational programs, Sea World and Busch Gardens hope to help prepare visitors of all ages to meet the environmental and conservation challenges of the 21st century.

During the 1991 season, Busch Entertainment continued to add new attractions at many of its parks. "Questor," a high-tech flight simulator attraction, was introduced at Busch Gardens Tampa, taking riders on a thrilling, fantasy adventure. Busch Gardens in Williamsburg introduced a new musical variety show, "Feats Too Big."

A colorful, Caribbean-themed attraction, "Sesame Island," made its debut at Sesame Place, while Adventure Island introduced the new "Calypso Coaster" spiraling water slide. Celebrating its 55th anniversary, Cypress Gardens added the "Cypress Roots" museum; an antique radio exhibit, "When Radios Were Radios"; and a spectacular poinsettia festival, "Color It Crimson."

Sea World of Florida introduced the dramatic new "Terrors of the Deep" exhibit, giving visitors an up-close look at the world's largest collection of eels and other dangerous sea creatures. At Sea World of Texas, two new water rides, "Texas Splashdown" and "Rio Loco," premiered. Sea World of California welcomed visitors to its new "Water Ski Lagoon" and 1960s-themed "Beach Blanket Ski Show."

As part of Busch Entertainment's "Yellow Ribbon Summer" celebration during the 1991 season, the parks were proud to host more than one million military men and women and their families.

In 1992, new rides and attractions are planned for many of the Busch Entertainment parks. A new gorilla and chimpanzee habitat, "Myombe Reserve: The Great Ape Domain," will open next summer at Busch Gardens

Tampa, featuring a lush, tropical forest setting that simulates the natural environment of these endangered primates. "Drachen Fire," one of the largest steel roller coasters in North America, will make its debut at Busch Gardens in Williamsburg in the spring. Adventure Island will cool down young visitors with "Fabian's Fun Port," a new water play area. And Cypress Gardens will introduce a spring floral festival.

Sea World of Florida will introduce "Mission: Bermuda Triangle," which will use flight simulator technology to take guests on an undersea journey through the beautiful and mysterious waters of the Bermuda Triangle. Sea World of California will add "Shark Encounter," housing the world's largest collection of sharks, along with rays, eels and other species. And a new children's play area, "Shamu's Happy Harbor," will open at Sea Worlds in Florida, Texas and Ohio.

BUSCH PROPERTIES, INC.

Busch Properties' holdings include Kingsmill on the James, a 2,900-acre residential community and resort in Williamsburg, Va. The community is comprised of more than 1,800 property owners in Kingsmill and a resident base of more than 4,000.

Resort amenities include a 60,000-square-foot conference center containing eight meeting rooms equipped with state-of-the-art audiovisual equipment. Four dining facilities overlook the James River and Kingsmill's River Golf Course. Conference and resort guests are lodged in condominiums overlooking the James River, the River Golf Course or the tennis center. A total of 45 holes of golf are available for Kingsmill resident members and resort guests.

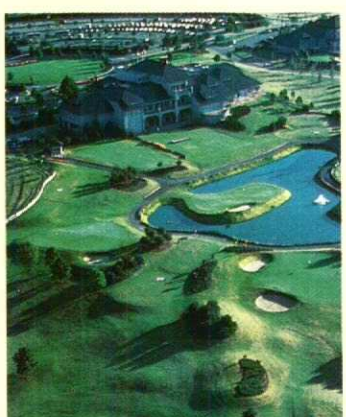
In 1991, Kingsmill Resort was elected a member of Preferred Hotels and Resorts Worldwide, a collection of individually managed luxury hotels. Members include such renowned properties as The Breakers in Palm Beach and Hotel Ritz in Paris. Kingsmill Resort has also been awarded the prestigious Four Star Award by the Mobil Travel Guide and the Four Diamond Award by the American Automobile Association, as well as numerous awards for its conference facilities.

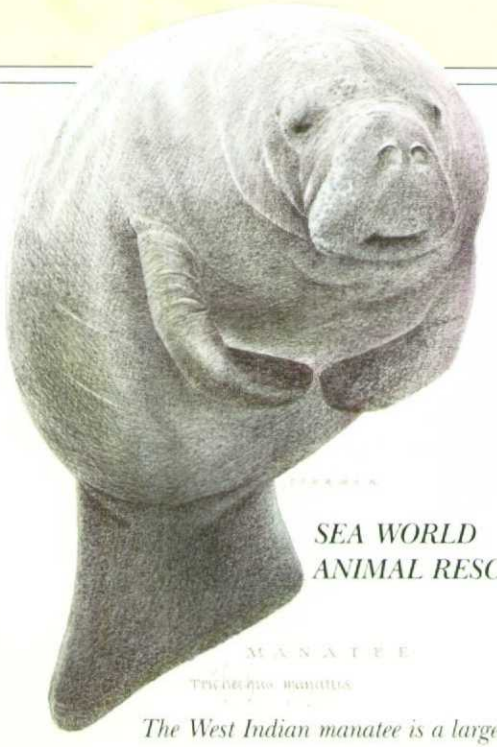


The annual Anheuser-Busch Golf Classic, a regular PGA Tour event since 1977, was again held on Kingsmill's River Golf Course in June.

Busch Corporate Center, located in Columbus, Ohio, outperformed other commercial office properties in the area in 1991. By year-end, occupancy in company-owned and managed buildings exceeded 90%.

In addition, Busch Properties of Florida owns approximately 300 acres adjacent to Sea World in Orlando and an additional 100 acres along the recently opened extension of International Drive, a main tourist thoroughfare.





SEA WORLD ANIMAL RESCUE

The West Indian manatee is a large, herbivorous, aquatic mammal that can be found in Florida's shallow coastal waters, rivers and springs.

At least for now.

Population studies indicate there may be as few as 1,500 of these gentle "sea cows" left in Florida waters. Last year alone, more than 200 manatees died in collisions with power boats or due to other human-related causes.

Through Sea World of Florida's Beached Animal and Rescue and Rehabilitation Program, 32 manatees have been rescued, rehabilitated and released since the park began the program in 1976. Sea World has also responded to hundreds of calls to aid sick, injured or orphaned dolphins, whales, otters, sea turtles and a variety of birds from the coastal waters of Florida.

Sea World funds the rescue program, including the cost of research, transportation and rehabilitation. But the funds are well spent. In addition to saving the lives of countless marine mammals, the information garnered during animal rescues, rehabilitations and releases has proven to be of great value to the scientific community in assuring survival of marine animals.

ST. LOUIS NATIONAL BASEBALL CLUB, INC.

The St. Louis Cardinals, the company's major league baseball subsidiary, rebounded from an offseason in 1990 to present a strong challenge for the National League East title in 1991, eventually finishing in second place.

The Cardinals continued to be one of baseball's best-drawing teams in 1991. More than 2.5 million fans visited Busch Stadium, the second-highest attendance figure in the National League. It also marked the 10th consecutive season the Cardinals have drawn more than two million fans.

In 1992, the Cardinals will celebrate their 100th anniversary (1892-1992) of continuous play in the National League.

CIVIC CENTER CORPORATION

Civic Center Corporation is the owner and operator of Busch Stadium. Additionally, the company owns and operates other properties in downtown St. Louis, including four parking garages and 2-3/4 city blocks currently used for parking.

In addition to serving as the home of the St. Louis Cardinals, Busch Stadium hosts a variety of other events, including concerts and circuses as well as amateur sports. As a result of attendance at those diverse events, Civic Center enjoyed a successful year in 1991.



ANHEUSER-BUSCH COMPANIES, INC.
FINANCIAL REVIEW 1991

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A Century of Environmental Responsibility



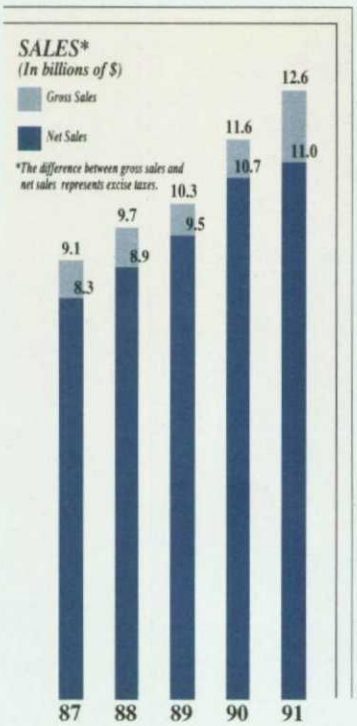
MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

Introduction

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity/cash flows of Anheuser-Busch Companies, Inc. during the three-year period ended December 31, 1991. This discussion should be read in conjunction with the Shareholders Letter, financial statements and financial statement footnotes included in this annual report.



As more fully discussed in Note 3 to the consolidated financial statements, on December 1, 1989 Busch Entertainment Corporation (the company's entertainment subsidiary) purchased from Harcourt Brace Jovanovich, Inc. (HBJ) 100% of the stock of those HBJ companies which owned four Sea World parks, two other theme parks and certain land holdings. Including the land, the purchase price was $1.1 billion of which $975 million was for the theme parks. The acquisition has been reflected in the financial statements using the purchase method of accounting. Accordingly, the Consolidated Statement of Income and the Consolidated Statement of Cash Flows include the operations of Sea World from December 1, 1989.



OPERATIONS

Sales

Anheuser-Busch Companies, Inc. achieved record gross sales during 1991 of $12.63 billion, an increase of $1.02 billion or 8.8% over 1990 gross sales of $11.61 billion. Gross sales for 1990 were 12.9% higher than 1989. Gross sales for 1989 were $10.28 billion, an increase of 6.0% over 1988. Gross sales included $1.64 billion, $868.1 million and $802.3 million, respectively, in federal and state excise taxes for 1991, 1990 and 1989. The large increase in excise taxes in 1991 as compared to 1990 is due to the January 1, 1991 100% increase in the federal excise tax on beer.

Net sales for 1991 were also a record $11.0 billion, an increase of $252.7 million or 2.4% over 1990 net sales of $10.74 billion. Net sales during 1989 were $9.48 billion.

The increase in sales over the three-year period (1989-1991) primarily results from higher revenue per barrel and higher beer sales volume (1989 and 1990), as well as higher overall sales by the company's food products subsidiaries.

Anheuser-Busch, Inc., the company's brewing subsidiary and largest contributor to consolidated sales and profits, sold 86.0 million barrels of beer in 1991, a slight decrease of 462,000 barrels, or five-tenths of one percent, compared to 1990 beer volume of 86.5 million barrels. The sales volume decline was due to the 100% increase in the federal excise tax, effective January 1, 1991. It was considerably less than the estimated 2.0% volume decline for the brewing industry.

To avoid the higher prices caused by the doubling of the excise tax, many retailers and consumers purchased beer in December 1990 that they normally would have bought in January 1991. Anheuser-Busch estimates that industry-wide, this shift of sales to the fourth quarter of 1990 from the first quarter of 1991 amounted to about 1.2 million barrels. Absent this shift, the company estimates Anheuser-Busch beer sales volume would have increased about 600,000 barrels in 1991 versus 1990, or .7%.

Despite the industry's volume decline, Anheuser-Busch brands performed very well in 1991. Three of the company's brands are among the top five brands in the industry. Additionally, in 1991 Anheuser-Busch brands achieved the number one position in the key light beer segment for the first time.

The 1990 and 1989 beer volume sales gains represented increases of 5.8 million barrels (7.2%) and 2.2 million barrels (2.8%), respectively. During 1991, 1990 and 1989, revenue per barrel has increased 2.3%, .9% and 2.8%, respectively.

Anheuser-Busch, Inc. 1991 sales volume represents approximately 44.1% of total brewing industry sales in the U.S. (including imports), according to estimates provided by The Beer Institute. This represents an increase of .7 share point as compared to 1990 market share of 43.4% and was the largest market share increase in the industry. As a result, Anheuser-Busch widened its market share lead over its major competitors. Market share for 1989 was 42.0%. The company has led the brewing industry in volume sales and market share every year since 1957. The company continues to believe it can achieve its previously stated goal to increase its share of the domestic beer market to 50% by the mid-1990s.

Anheuser-Busch's success in the beer industry is primarily attributable to the company's uncompromising emphasis on quality, its total marketing effort, a solid wholesaler distribution system and, more recently, the introduction of innovative new brands such as Bud Dry.

During 1992, the company's key objective for its brewing subsidiary is to increase the volume of its premium brands. To accomplish this, the company intends to focus on the Bud family of brands; place renewed emphasis on the Michelob family; and build on the success of O'Doul's, the company's nonalcohol brew, through additional brand support.

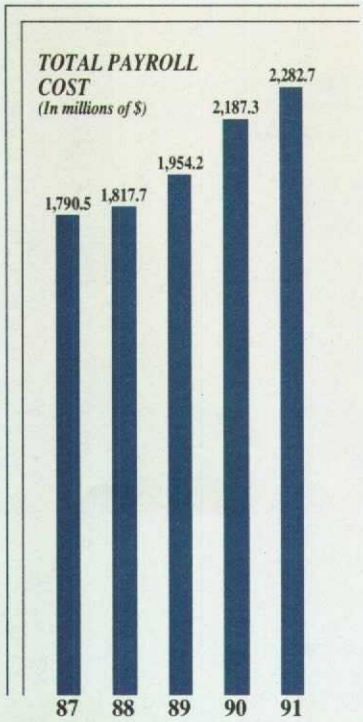
In non-beer areas, the company's existing businesses in food products, packaging and entertainment will continue to be developed. These operations deliver products or services of superior quality; enhance Anheuser-Busch's beer business or benefit from the company's beer operations; and represent opportunities to which Anheuser-Busch can add significant value.

Cost of Products and Services

Cost of products and services for 1991 was $7.15 billion, an .8% increase over the $7.09 billion for 1990. This increase follows a 13.0% and 7.7% increase in 1990 and 1989, respectively. These increases primarily relate to higher production costs for the company's brewing subsidiary and other beer-related operations, as well as higher sales of the company's food products subsidiaries. Such increases, however, have been partially offset by the company's ongoing productivity improvement and cost reduction programs. During the last 10 years, these programs have generated total cost reductions approximating $650 million.



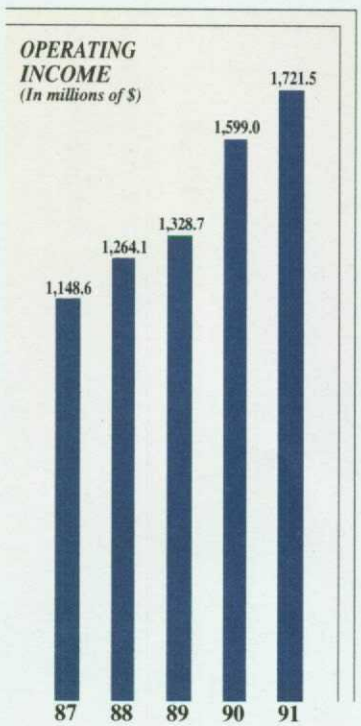
As a percent of net sales, cost of products and services was 65.0% in 1991 as compared to 66.0% in 1990 and 66.2% in 1989.



Marketing, Distribution and Administrative Expenses

Marketing, distribution and administrative expenses for 1991 were $2.13 billion, an increase of 3.7% over 1990. This increase compares to increases of 9.3% for 1990 and 2.3% for 1989. These expenses include approximately $722.5 million, $735.7 million and $642.1 million in 1991, 1990 and 1989, respectively, of selling, delivery and general operating expenses associated with the company's wholesale baking operations and its company-owned beer and snack foods wholesale operations.

Marketing, distribution and administrative expenses have increased over the past three years as a result of the higher level of marketing activity, continuing development of new products and beer brands together with related new advertising and marketing programs, and the introduction of new entertainment attractions. Areas significantly affected by these factors since 1988 include media advertising, point-of-sale materials and developmental expenses associated with new advertising and marketing programs for established as well as new products; operating expenses of company-owned beer wholesale operations; bakery and snack foods selling, delivery and general operating expenses; payroll and related costs; business taxes; depreciation; supplies; and general operating expenses.



Taxes and Payroll Costs

The company is significantly impacted by federal, state and local taxes. Taxes applicable to 1991 operations (not including the many indirect taxes included in materials and services purchased) totaled $2.47 billion and highlight the burden of taxation on the company and the brewing industry in general. Taxes for 1991 increased $860 million or 53.1% over 1990 taxes of $1.61 billion. This increase follows increases of 9.2% in 1990 and 4.2% in 1989 and results principally from increased beer excise taxes related to the increased federal excise tax, higher beer sales volume in 1990 and 1989 and higher income taxes related to the company's increased earnings level.

As previously discussed, the principal impact of the Deficit Reduction Act of 1990 was the 100% increase in the federal excise tax on beer effective January 1, 1991. The other provisions of the Act do not have a significant impact on the company.

Payroll costs during 1991 totaled $2.28 billion, an increase of $95.4 million or 4.4% over 1990 payroll costs of $2.19 billion. Payroll costs increased 11.9% in 1990 and 7.5% in 1989. The increase in payroll costs reflects increases in salary and wage rates and benefit costs and the additional employees as a result of the December 1, 1989 acquisition of Sea World.

Salaries and wages paid during 1991 totaled $1.86 billion. Pension, life insurance and health care benefits amounted to $268.6 million and payroll taxes were $158.8 million. Employment at December 31, 1991 was 44,836 compared to 45,481 at December 31, 1990.

Operating Income

Operating income, the measure of the company's financial performance before interest costs and other non-operating items, was $1.72 billion in 1991, a $122.5 million increase or 7.7% over 1990. Operating income was $1.60 billion in 1990 and $1.33 billion in 1989, representing increases of 20.3% and 5.1% over the previous year,

respectively. Operating income as a percent of net sales was 15.7% in 1991 as compared to 14.9% in 1990 and 14.0% in 1989.

Net Interest Cost/Interest Capitalized

Net interest cost, or interest expense less interest income, was $229.3 million in 1991, a decrease of $46.7 million when compared to 1990 net interest cost of $276.0 million. Net interest cost in 1989 was $165.3 million. The decrease in net interest cost during 1991 is due primarily to the decrease of $502.2 million, or 16.0%, in total debt during the year ended December 31, 1991. The increase in net interest cost in 1990 and 1989 is due primarily to the net increase in debt during these years to finance a variety of activities/projects, including the Sea World acquisition and the establishment of a leveraged ESOP during 1989. Specific information regarding company financing (including the level of debt activity and the leveraged ESOP) and the company's capital expenditures program is presented in the Liquidity and Capital Resources section of this discussion.

Interest capitalized decreased $8.1 million in 1991 as compared to 1990. The decrease in interest capitalized during 1991 is primarily related to lower capital expenditures (a lower qualifying construction-in-progress level) and a lower weighted average interest rate due to the decrease in debt during the period. Interest capitalized increased $3.1 million in 1990 as compared to 1989. The increase resulted from a higher level of qualified expenditures due to the construction of the Cartersville, Ga., brewery, partially offset by a lower weighted average interest rate due to a higher level of commercial paper borrowings.

Other Income/(Expense), Net

This category was a net expense of $18.1 million in 1991, compared to $25.5 million in 1990 and income of $11.8 million in 1989. Other income/(expense), net, includes numerous items of a non-operating nature which do not have a material impact on the company's consolidated results of operations (either individually or in the aggregate).

Net Income

Net income for 1991 was $939.8 million, an increase of 11.6% compared with $842.4 million for 1990. Net income for 1989 was $767.2 million. Net income for 1990 and 1989 represents increases of 9.8% and 7.2%, respectively, over the preceding year.

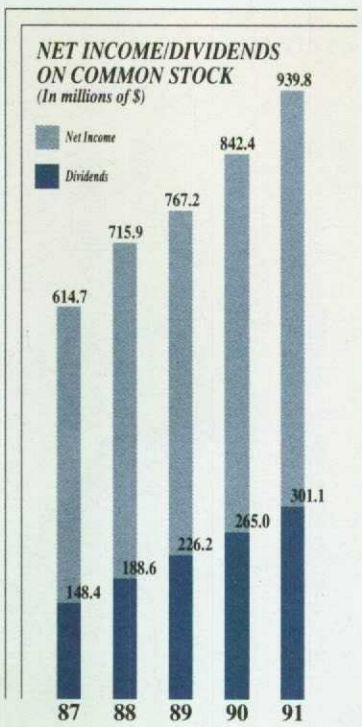
The effective tax rate was 38.2% in 1991, 37.7% in 1990 and 37.5% in 1989.

Earnings Per Share

Fully diluted earnings per share of common stock for 1991 were $3.25, an increase of 10.2% compared with $2.95 for 1990. Fully diluted earnings per share for 1989 were $2.68, an increase of 9.4% over 1988. Fully diluted earnings per share assume the conversion (as of January 1, 1990) of the company's 8% Convertible Debentures due 1996. In calculating fully diluted earnings per share, weighted average shares outstanding are increased by the assumed conversion of the debentures and net income is increased by the after-tax interest expense on the debentures.

Future Impact of Recently Issued Accounting Pronouncements

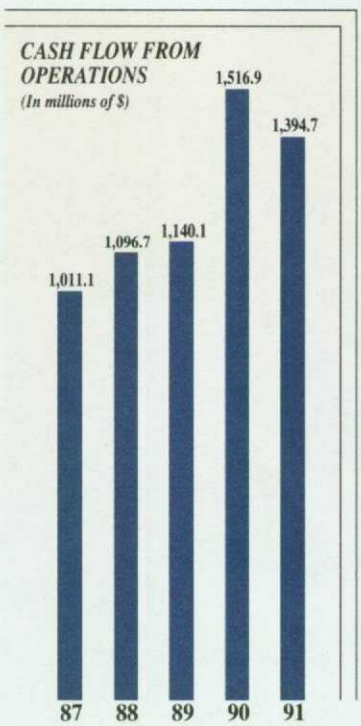
The Financial Accounting Standards Board (FASB) has issued two accounting pronouncements which will have a future impact on the company's financial state-



ments. These accounting pronouncements are Statement of Financial Accounting Standards No. 109 (FAS 109), "Accounting for Income Taxes" and Statement of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions." A complete description of the requirements of these accounting pronouncements, including adoption alternatives, is contained in Note 2 to the Consolidated Financial Statements on page 50 of this annual report.

The company plans to adopt FAS 109 and FAS 106 during the first quarter 1993 by recognizing a one-time cumulative effect adjustment which is estimated to impact net income as follows (in millions):

	1993 NET INCOME IMPACT RANGE INCREASE/(DECREASE)
Accounting for Income Taxes (FAS 109)	$ 240 -$ 260
Postretirement Benefits (FAS 106)	(250)- (320)
Net Income Impact	$ (10)- $ (60)



Assuming constant statutory tax rates, FAS 109 is not expected to have a significant ongoing financial impact on the company. Future statutory tax rate changes could alter the magnitude of the estimated impact.

FAS 106 will increase employee pretax health care benefits expense in the range of $30-$50 million in the year of adoption, with such additional expense increasing modestly in years subsequent to adoption as employees approach retirement. The company is currently in the process of evaluating its health care benefit plans and the actuarial assumptions used in measuring its postretirement benefit obligation under FAS 106. The company believes the process may lessen the unfavorable earnings impact of FAS 106.

FINANCIAL POSITION

Liquidity and Capital Resources

The company's primary sources of liquidity are cash provided from operating activities and financing activities. Information on the company's consolidated cash flows (operating activities, financing activities and investing activities) for the past three years is set forth in the Consolidated Statement of Cash Flows on page 48 of this report.

Working capital at December 31, 1991 was $224.9 million as compared to $14.4 million at December 31, 1990.

During 1990, the company issued the following debt:

- $100 million, 8-3/4% Notes due 1995—issued in July 1990.
- $75 million medium-term notes due 1993 to 2001 (with varying interest rates)—issued during 1990.

During 1991, the company reduced long-term debt as follows:

- Lower commercial paper borrowings of $201.4 million;
- Repurchase of $109.3 million, 6% Dual Currency Swiss Franc/U.S. Dollar Bonds;
- Repurchase of $100 million, 9.2% Sinking Fund Debentures;
- $23.8 million reduction in the ESOP debt guarantee; and

- $67.7 million of scheduled sinking fund debenture repurchases and other miscellaneous transactions.

During the fourth quarter 1991, the company exercised its call option on all of the currently outstanding 8.55% Sinking Fund Debentures (approximately $85.6 million). The call was effective February 1, 1992. Additionally, in January 1992 the company exercised its call option on all of the currently outstanding 7.95% Sinking Fund Debentures.

Gains/losses on these debt reduction activities (either individually or in the aggregate) were not material to the company's consolidated financial statements.

At December 31, 1991 and 1990 there were $104.4 million and $305.8 million of commercial paper borrowings outstanding classified as long-term debt. The commercial paper is intended to be maintained on a long-term basis, with ongoing credit provided by the company's $500 million domestic revolving credit agreements (discussed below).

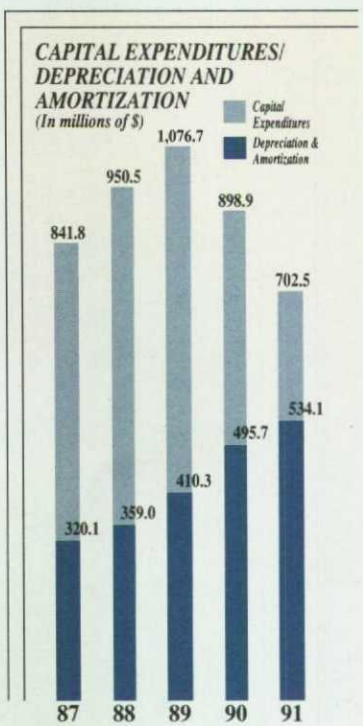
During the second quarter 1990, the company entered into an interest rate cap program on $400 million of floating rate borrowings. The program provides an interest rate ceiling on certain short-term interest rates through April 1992 to minimize the company's exposure should interest rates rise.

The company has fully hedged its foreign currency exposure for interest and principal payments on its foreign currency denominated debt through agreements with various lending institutions.

The company believes its strong beer wholesaler network is a major factor in its long-term growth. Therefore, the company believes that affording beer wholesalers the opportunity to invest in the company will further this goal. In 1989, the company registered with the Securities and Exchange Commission (SEC) a total of $300 million of seven-year convertible debentures (convertible into common stock) as part of its Wholesaler Investment Program. A total of $241.7 million of the debentures were issued. The debentures are subject to mandatory redemption at the end of seven years, optional redemption/repurchase at the company's or holder's discretion after three years, and special redemption/repurchase based on the occurrence of certain redemption events with respect to particular holders.

Shelf registration statements filed with the SEC in 1987-1989 established a level of $1 billion of debt securities available for issuance by the company. As of December 31, 1991, the company had $165 million remaining available for issuance under these shelf registration statements.

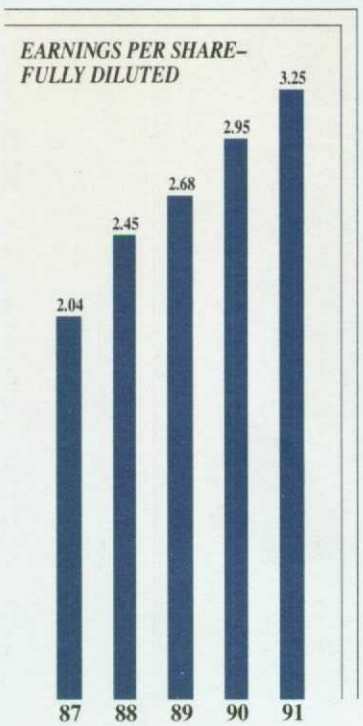
During the next five years, the company plans to continue capital expenditure programs designed to take advantage of growth and productivity improvement opportunities for its beer and beer-related, food products and entertainment segments. Cash flow from operating activities will provide the principal support for these capital investments. However, a capital expenditure program of this magnitude (together with the company's previously announced share repurchase program) may require external financing from time to time. The nature and timing of external financing will vary depending upon the company's evaluation of existing market conditions and other economic factors.



In addition to its long-term debt financing, the company has access to the short-term capital market utilizing its bank credit agreements and commercial paper. The company has formal bank credit agreements which provide for maximum borrowings of $500 million. These agreements, which are discussed in Note 5 to the Consolidated Financial Statements, provide the company with immediate and continuing sources of liquidity.

In September 1989, the company entered into a four-year credit facility in Spain with 10 local banks totaling 9.5 billion pesetas (approximately $95 million). The primary purpose of the facility was to provide interim financing of costs associated with the company's proposed development of a theme park and resort complex in Spain. As of December 31, 1991 and 1990, approximately $27 and $23 million, respectively, were borrowed against this facility. The details of this agreement are discussed in Note 5 to the Consolidated Financial Statements.

During 1990, the company announced it would not proceed with the Spanish theme park and resort project without the equity involvement of international developers or partners. During 1991, the company and Tibidabo S.A. of Barcelona agreed to enter into a joint venture for completion of this project. Closing on this joint venture agreement is subject to negotiation of appropriate agreements with various Spanish governmental authorities, including certain agreements for financial assistance. At December 31, 1991, Anheuser-Busch's total investment in the project was $99 million of which $50 million is land.



The company's ratio of total debt to total debt plus equity was 37.3%, 46.1% and 52.4% at December 31, 1991, 1990 and 1989, respectively. The company's fixed charge coverage ratio was 6.4 for the year ended December 31, 1991 and 5.1 and 6.6 for the years ended December 31, 1990 and 1989, respectively.

As more fully described in Note 8 to the Consolidated Financial Statements, during 1989 the company added an employee stock ownership plan (ESOP) feature to its existing Deferred Income Stock Purchase and Savings Plans. Approximately 60% of total salaried and hourly employees are eligible for participation in the ESOP. The ESOP borrowed $500 million, guaranteed by the company, and used the proceeds to buy approximately 11.3 million shares of common stock from the company. The ESOP shares are being allocated to participants over 15 years as contributions are made to the plan. Through the various company stock ownership plans, employees of Anheuser-Busch will control approximately 10% of the company's outstanding common stock.

In accordance with generally accepted accounting principles, the unpaid principal portion of the ESOP debt is reflected on the company's balance sheet as long-term debt with an equal, offsetting reduction to Shareholders Equity. In addition, total ESOP expense is allocated to interest expense and operating expense based upon the ratio of interest and principal payments on the debt.

In June 1989, the company purchased 12.5 million shares of company stock via a "Dutch Auction" self-tender at $44.00 per share, for a total cost of $550 million. These common stock purchases were made in order to offset the earnings per share dilution which would have otherwise resulted from the sale of shares to the ESOP by the company.

Capital Expenditures

The company has a formalized and intensive review procedure for all capital expenditures. The most important measure of acceptability of a capital project is its projected discounted cash flow return on investment.

Capital expenditures in 1991 amounted to $702.5 million as compared with $898.9 million in 1990. During the past five years capital expenditures totaled $4.5 billion.

Capital expenditures for 1991 for the company's beer and beer-related operations were $511.5 million. Major expenditures by the company's brewing subsidiary included continuing construction of the company's new brewery in Cartersville, Ga., and numerous modernization projects designed to improve productivity at all breweries.

The remaining 1991 capital expenditures totaling $191.0 million were made by the company's food products and entertainment operations. Major expenditures include numerous Campbell Taggart and Eagle Snacks modernization and productivity improvement projects, as well as new Busch Entertainment and Sea World attractions.

The company expects its capital expenditures in 1992 to approximate $900 million. Capital expenditures during the five-year period 1992-1996 are expected to approximate $4.5 billion.

Environmental Matters

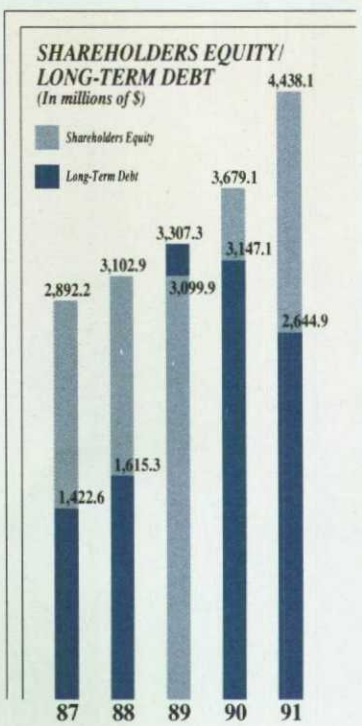
The company is subject to federal, state and local environmental protection laws and regulations and is operating within such laws or is taking action aimed at assuring compliance with such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the company's competitive position. The company has not been identified as a Potentially Responsible Party (PRP) at an Environmental Protection Agency designated clean-up site which could have a material impact on the company's consolidated financial statements.

In recognition of the importance of environmental laws and regulations, the company has established an Environmental Policy Committee. This Committee, which reports directly to the Audit Committee of the Board of Directors, is comprised of senior company executives.

The mission of the Committee is (a) to monitor and interpret environmental policies to insure high standards of corporate responsibility; (b) to establish a framework to assure strict compliance in the operation of all of the company's businesses with all environmental regulations; (c) to provide adequate resources—human, financial and physical—required to assure compliance with all environmental laws and policies; and (d) to exercise oversight responsibilities of company environmental programs.

Dividends

Cash dividends paid to common shareholders were $301.1 million in 1991 and $265.0 million in 1990. Dividends on common stock are paid in the months of March, June, September and December of each year. In the second quarter of 1991, effective with the September dividend, the Board of Directors increased the quarterly dividend rate by 12.0%, from $.25 to $.28 per share. Annual dividends per common share increased 12.8% in 1991 to $1.06 per share compared to $.94 per share in 1990. In 1991, dividends were $.25 for each of the first two quarters and $.28 for the last two quarters, as compared to $.22 for the first two quarters and $.25 for the last two quarters of 1990.



The company has paid dividends in each of the past 59 years. During that time company stock has split on seven different occasions and stock dividends were paid three times.

At December 31, 1991, common shareholders of record numbered 65,390 compared with 65,991 at the end of 1990.

Price Range of Common Stock

The company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "BUD." The table below summarizes the high and low closing prices on the NYSE.

PRICE RANGE OF COMMON STOCK

	1991		*1990*	
QUARTER	*HIGH*	*LOW*	*HIGH*	*LOW*
First	*52-7/8*	*39-5/8*	39-3/4	34-1/4
Second	*53-7/8*	*48*	44-3/8	36-3/8
Third	*54-1/2*	*48-1/4*	45	36
Fourth	*61-1/2*	*51-3/4*	43-3/8	35-1/2

The closing price of the company's common stock at December 31, 1991 and 1990 was $61.50 and $43.00, respectively.

Common Stock and Other Shareholders Equity

Shareholders equity was $4.44 billion at December 31, 1991, as compared with $3.68 billion at December 31, 1990. The increase in 1991 equity primarily represents the retention of $646.5 million of earnings in the business, the reduction in ESOP debt and the effect of shares issued under stock plans and for conversion of convertible debentures. The book value of each common share of stock at December 31, 1991 was $15.57, as compared to $13.03 at December 31, 1990.

In 1991, the return on average shareholders equity was 23.2% as compared with 24.9% in 1990.

The Board of Directors has approved various resolutions in recent years authorizing the company to repurchase shares of its common stock for investment purposes and to meet the requirements of the company's various stock purchase and savings plans. The company has acquired 23,500, 2,422,700 and 2,236,400 shares of common stock in 1991, 1990 and 1989 for $1.1, $86.3 and $74.4 million, respectively. These purchases exclude the "Dutch Auction" self-tender previously described. At December 31, 1991, approximately 7 million shares were available for repurchase under existing Board of Directors resolutions.

Inflation

General inflation has not had a significant impact on the company over the past three years nor is it expected to have a significant impact in the foreseeable future.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Anheuser-Busch Companies, Inc. is responsible for the financial statements and other information included in this annual report. Management has selected those generally accepted accounting principles it considers appropriate to prepare the financial statements and other data contained herein.

The company maintains accounting and reporting systems, supported by an internal accounting control system, which management believes are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 1991, the company's internal auditors, in conjunction with Price Waterhouse, its independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting control system. Based on the comprehensive review, it is management's opinion that the company has an effective system of internal accounting control.

The Audit Committee of the Board of Directors, which consists of seven non-management directors, oversees the company's financial reporting and internal control systems, recommends selection of the company's public accountants and meets with the public accountants and internal auditors to review the overall scope and specific plans for their respective audits. The Committee held four meetings during 1991. A more complete description of the functions performed by the Audit Committee can be found in the company's Proxy Statement.

The report of Price Waterhouse on its examinations of the consolidated financial statements of the company appears below.

REPORT OF INDEPENDENT ACCOUNTANTS

Price Waterhouse



One Boatmen's Plaza
St. Louis, MO 63101

February 4, 1992

To the Shareholders and Board of Directors of
Anheuser-Busch Companies, Inc.

In our opinion, the accompanying Consolidated Balance Sheet and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 1991 and 1990, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1991, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

CONSOLIDATED BALANCE SHEET
Anheuser-Busch Companies, Inc., and Subsidiaries

ASSETS (In millions)

DECEMBER 31,	*1991*	*1990*
CURRENT ASSETS:		
Cash and marketable securities	*$ 97.3*	$ 95.3
Accounts and notes receivable, less allowance for doubtful accounts of $5.5 in 1991 and $6.2 in 1990	*654.8*	562.6
Inventories—		
Raw materials and supplies	*397.2*	344.7
Work in process	*92.5*	104.7
Finished goods	*145.9*	117.8
Total inventories	*635.6*	567.2
Other current assets	*240.0*	201.2
Total current assets	*1,627.7*	1,426.3
INVESTMENTS AND OTHER ASSETS:		
Investments in and advances to affiliated companies	*116.9*	100.8
Investment properties	*159.9*	151.4
Deferred charges and other non-current assets	*365.6*	358.4
Excess of cost over net assets of acquired businesses, net	*519.9*	533.6
	1,162.3	1,144.2
PLANT AND EQUIPMENT:		
Land	*308.9*	307.7
Buildings	*3,027.8*	2,825.2
Machinery and equipment	*6,583.9*	6,080.3
Construction in progress	*669.0*	803.5
	10,589.6	10,016.7
Accumulated depreciation	*(3,393.1)*	(2,952.9)
	7,196.5	7,063.8
	$ 9,986.5	$ 9,634.3

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-59 of this report.

LIABILITIES AND SHAREHOLDERS EQUITY (In millions)

DECEMBER 31,	*1991*	*1990*
CURRENT LIABILITIES:		
Accounts payable	*$ 709.8*	$ 711.2
Accrued salaries, wages and benefits	*223.3*	247.3
Accrued interest payable	*58.5*	72.3
Due to customers for returnable containers	*44.5*	44.6
Accrued taxes, other than income taxes	*110.9*	71.5
Estimated income taxes	*45.2*	79.2
Other current liabilities	*210.6*	185.8
Total current liabilities	*1,402.8*	1,411.9
LONG-TERM DEBT	*2,644.9*	3,147.1
DEFERRED INCOME TAXES	*1,500.7*	1,396.2
COMMON STOCK AND OTHER SHAREHOLDERS EQUITY:		
Common stock, $1.00 par value, authorized 400,000,000 shares	*338.5*	335.7
Capital in excess of par value	*654.5*	558.9
Retained earnings	*5,209.8*	4,563.3
Foreign currency translation adjustment	*20.7*	29.3
	6,223.5	5,487.2
Treasury stock, at cost	*(1,324.2)*	(1,323.1)
ESOP debt guarantee offset	*(461.2)*	(485.0)
	4,438.1	3,679.1
COMMITMENTS AND CONTINGENCIES	—	—
	$9,986.5	$9,634.3

CONSOLIDATED STATEMENT OF INCOME
Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share data)

YEAR ENDED DECEMBER 31,	*1991*	*1990*	*1989*
Sales	*$12,634.2*	$11,611.7	$10,283.6
Less federal and state excise taxes	*1,637.9*	868.1	802.3
Net sales	*10,996.3*	10,743.6	9,481.3
Cost of products and services	*7,148.7*	7,093.5	6,275.8
Gross profit	*3,847.6*	3,650.1	3,205.5
Marketing, distribution and administrative expenses	*2,126.1*	2,051.1	1,876.8
Operating income	*1,721.5*	1,599.0	1,328.7
Other income and expenses:			
Interest expense	*(238.5)*	(283.0)	(177.9)
Interest capitalized	*46.5*	54.6	51.5
Interest income	*9.2*	7.0	12.6
Other income/(expense), net	*(18.1)*	(25.5)	11.8
Income before income taxes	*1,520.6*	1,352.1	1,226.7
Provision for income taxes:			
Current	*479.1*	429.9	357.0
Deferred	*101.7*	79.8	102.5
	580.8	509.7	459.5
NET INCOME	*$ 939.8*	$ 842.4	$ 767.2
EARNINGS PER SHARE:			
Primary	*$ 3.26*	$ 2.96	$ 2.68
Fully diluted	*$ 3.25*	$ 2.95	$ 2.68

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-59 of this report.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
Anheuser-Busch Companies, Inc., and Subsidiaries

SHAREHOLDERS EQUITY (In millions, except per share data)

	COMMON STOCK	*CAPITAL IN EXCESS OF PAR VALUE*	*RETAINED EARNINGS*	*TREASURY STOCK*	*ESOP DEBT GUARANTEE OFFSET*	*FOREIGN CURRENCY TRANSLATION ADJUSTMENT*
BALANCE AT DECEMBER 31, 1988	$331.0	$428.5	$3,444.9	$(1,112.4)	$ —	$10.9
Net income			767.2			
Common dividends ($.80 per share)			(226.2)			
Shares issued under stock plans	2.9	78.7				
Shares issued to ESOP				500.0	(500.0)	
Treasury stock acquired				(624.4)		
Foreign currency translation adjustment						(1.2)
BALANCE AT DECEMBER 31, 1989	333.9	507.2	3,985.9	(1,236.8)	(500.0)	9.7
Net income			842.4			
Common dividends ($.94 per share)			(265.0)			
Shares issued under stock plans	1.8	51.7				
Reduction of ESOP debt guarantee					15.0	
Treasury stock acquired				(86.3)		
Foreign currency translation adjustment						19.6
BALANCE AT DECEMBER 31, 1990	335.7	558.9	4,563.3	(1,323.1)	(485.0)	29.3
Net income			*939.8*			
Common dividends ($1.06 per share)			*(301.1)*			
Shares issued under stock plans	*2.7*	*92.2*	*7.8*			
Conversion of Convertible Debentures	*.1*	*3.4*				
Reduction of ESOP debt guarantee					*23.8*	
Treasury stock acquired				*(1.1)*		
Foreign currency translation adjustment						*(8.6)*
BALANCE AT DECEMBER 31, 1991	*$338.5*	*$654.5*	*$5,209.8*	*$(1,324.2)*	*$(461.2)*	*$20.7*

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-59 of this report.

CONSOLIDATED STATEMENT OF CASH FLOWS

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions)

YEAR ENDED DECEMBER 31,	*1991*	*1990*	*1989*
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	*$ 939.8*	$ 842.4	$ 767.2
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	*534.1*	495.7	410.3
Increase in deferred income taxes	*104.5*	80.3	103.4
Decrease/(increase) in non-cash working capital	*(208.5)*	122.8	(90.6)
Other, net	*24.8*	(24.3)	(50.2)
Cash provided by operating activities	*1,394.7*	1,516.9	1,140.1
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures	*(702.5)*	(898.9)	(1,076.7)
Business acquisitions	*(15.7)*	(12.1)	(1,117.9)
Cash used for investing activities	*(718.2)*	(911.0)	(2,194.6)
CASH FLOW FROM FINANCING ACTIVITIES:			
Increase in long-term debt	*.6*	178.6	1,328.3
Decrease in long-term debt	*(479.1)*	(427.8)	(32.3)
Dividends paid to stockholders	*(301.1)*	(265.0)	(226.2)
Acquisition of treasury stock	*(1.1)*	(86.3)	(624.4)
Shares issued to ESOP	—	—	500.0
Shares issued under stock plans and conversion of Convertible Debentures	*106.2*	53.5	81.6
Cash provided by/(used for) financing activities	*(674.5)*	(547.0)	1,027.0
Net increase/(decrease) in cash and marketable securities during the year	*2.0*	58.9	(27.5)
Cash and marketable securities at beginning of year	*95.3*	36.4	63.9
Cash and marketable securities at end of year	*$ 97.3*	$ 95.3	$ 36.4

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 49-59 of this report.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1–SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

This summary of significant accounting principles and policies of Anheuser-Busch Companies, Inc. and its subsidiaries is presented to assist the reader in evaluating the company's financial statements included in this report. These principles and policies conform to generally accepted accounting principles.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the company and all its subsidiaries. All significant intercompany transactions have been eliminated.

FOREIGN CURRENCY TRANSLATION

Exchange adjustments resulting from foreign currency transactions are recognized in income, whereas adjustments resulting from the translation of financial statements are reflected as a separate component of shareholders equity.

EXCESS OF COST OVER NET ASSETS OF ACQUIRED BUSINESSES

The excess of the cost over the net assets of acquired businesses is amortized on a straight-line basis over a period of 40 years. Accumulated amortization at December 31, 1991 and 1990 was $48.8 million and $35.1 million, respectively.

INVENTORIES AND PRODUCTION COSTS

Inventories are valued at the lower of cost or market. Cost is determined under the last-in, first-out method for substantially all brewing inventories and under the first-in, first-out method for substantially all food product inventories.

PLANT AND EQUIPMENT

Plant and equipment is carried at cost and includes expenditures for new facilities and those which substantially increase the useful lives of existing plant and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed, the related cost and accumulated depreciation are eliminated from the respective accounts and any profit or loss on disposition is reflected in income.

Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, resulting in depreciation rates on buildings ranging from 2% to 10% and on machinery and equipment from 4% to 25%.

CAPITALIZATION OF INTEREST

Interest relating to the cost of acquiring certain fixed assets is capitalized. The capitalized interest is included as part of the cost of the related asset and is amortized over its estimated useful life.

INCOME TAXES

The provision for income taxes is based on elements of income and expense as reported in the Consolidated Statement of Income. The company has elected to utilize certain provisions of federal income tax laws and regulations to reduce current taxes payable. Deferred income taxes are recognized for the effect of timing differences between financial and tax reporting in accordance with the requirements of Accounting Principles Board Opinion No. 11.

FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND CONCENTRATION OF CREDIT RISK

The company is party to certain financial instruments with off-balance-sheet risk incurred in the normal course of business. These financial instruments include financial guarantees, foreign currency forward and option contracts designated as hedges and foreign currency interest payment swaps. The company's exposure to credit loss in the event of non-performance by the counterparty to these financial instruments (either individually or in the aggregate) is not material.

The company does not have a material concentration of accounts receivable or credit risk.

RESEARCH AND DEVELOPMENT, ADVERTISING, PROMOTIONAL COSTS AND INITIAL PLANT COSTS

Research and development, advertising, promotional costs and initial plant costs are expensed in the year in which these costs are incurred.

EARNINGS PER SHARE

Earnings per share of common stock are based on the weighted average number of shares of common stock outstanding during the respective years as shown below (in millions):

	1991	*1990*	*1989*
Primary weighted average shares	*287.9*	284.6	286.2
Fully diluted weighted average shares	*292.9*	289.7	286.2

Primary earnings per share of common stock are based on the weighted average number of shares of common stock outstanding during the year.

Fully diluted earnings per share of common stock assume the conversion of the company's 8% convertible debentures due 1996 and the elimination of the related after-tax interest expense.

2—FUTURE IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued two accounting pronouncements which will have a future impact on the company's financial statements. These accounting pronouncements are Statement of Financial Accounting Standards No. 109 (FAS 109), "Accounting for Income Taxes," issued in February 1992, which amends Statement of Financial Accounting Standards No. 96 (FAS 96), "Accounting for Income Taxes" and Statement of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions." A brief description of these pronouncements and a discussion of the estimated adoption impact on the company's future financial statements follows:

ACCOUNTING FOR INCOME TAXES (FAS 109)

In December 1987, the FASB issued FAS 96 which requires the use of an asset and liability approach in accounting for the effects of income taxes that result from activities during the current and preceding years. Adoption of the Statement, originally required by 1989, has been delayed to 1993.

In February 1992, the FASB issued FAS 109 to amend FAS 96 to simplify the required calculations, change the criteria for recognition and measurement of deferred tax assets and change the methodology for recognizing the impact of prior tax-free purchase business combinations. Adoption of FAS 109, which is required by the first quarter of 1993, can be made by either restating previously issued financial statements or by recognizing a one-time cumulative effect adjustment to net income.

POSTRETIREMENT BENEFITS (FAS 106)

In December 1990, the FASB issued FAS 106. The standard requires recognition of postretirement benefits, including health care benefits, on an accrual basis. The company currently provides postretirement health care and life insurance benefits to certain retired employees who attain specified age and years-of-service requirements. The cost of such postretirement benefits is presently recognized on a claims-paid basis.

Adoption of the new standard is required by the first quarter of 1993 and permits the transitional obligation to be either recognized immediately, as the cumulative effect of an accounting change, or recognized on a delayed basis over the plan participants' future service periods (or 20 years, if longer).

ESTIMATED ADOPTION IMPACT

The company plans to adopt FAS 109 and FAS 106 during the first quarter 1993 by recognizing a one-time cumulative effect adjustment which is estimated to impact net income as follows (in millions):

	1993 NET INCOME IMPACT RANGE INCREASE/(DECREASE)
Accounting for Income Taxes (FAS 109)	$ 240 -$ 260
Postretirement Benefits (FAS 106)	(250)- (320)
Net Income Impact	$ (10)-$ (60)

Assuming constant statutory tax rates, FAS 109 is not expected to have a significant ongoing financial impact on the company. Future statutory tax rate changes could alter the magnitude of the estimated impact.

FAS 106 will increase employee pretax health care benefits expense in the range of $30-$50 million in the year of adoption, with such additional expense increasing modestly in years subsequent to adoption as employees approach retirement. The company is currently in the process of evaluating its health care benefit plans and the actuarial assumptions used in measuring its post-retirement benefit obligation under FAS 106. The company believes the results of the process may lessen the unfavorable earnings impact of FAS 106.

3–ACQUISITION

On December 1, 1989, Busch Entertainment Corporation (the company's entertainment subsidiary) purchased from Harcourt Brace Jovanovich, Inc. (HBJ) 100% of the stock of those HBJ companies which owned four Sea World parks, two other theme parks and certain land holdings. Including the land, the purchase price was $1.1 billion of which $975 million was for the theme parks. The agreement also provides that HBJ will receive a 50% participation (up to a maximum participation of $100 million) in the net sales proceeds received by the company over the next 10 years in excess of $100 million, plus carrying costs, from the sale of certain parcels of undeveloped land included in the purchase.

The acquisition has been accounted for using the purchase method of accounting. The acquired assets and liabilities have been recorded in the company's financial statements at their estimated fair market values at the acquisition date. The excess cost of the acquisition over the estimated fair market value of the net assets acquired is amortized on a straight-line basis over 40 years. The Consolidated Statement of Income includes the operations of the acquired theme parks from December 1, 1989.

Assuming the acquisition had occurred on January 1, 1989, pro forma combined results of operations for Anheuser-Busch Companies, Inc. for the year ended December 31, 1989 are (in millions except per share): net sales, $9,835.5; net income $749.5; and net income per share, $2.62. These results are not necessarily indicative of what would have occurred had the acquisition been consummated as of January 1. The results are based on purchase accounting adjustments and include additional interest expense as if funds borrowed in connection with the acquisition had been outstanding from the beginning of the year.

4–INVENTORY VALUATION

Approximately 68% of total inventories at December 31, 1991 and 1990, respectively, are stated on the last-in, first-out (LIFO) inventory valuation method. Had average-cost (which approximates replacement cost) been used with respect to such items at December 31, 1991 and 1990, total inventories would have been $110.3 million and $102.7 million higher, respectively.

5–CREDIT AGREEMENTS

The company has in place revolving credit agreements totaling $500 million. The agreements, which expire in 1993, provide that the company may select among various loan arrangements with differing maturities and among a variety of interest rates, including a negotiated rate. At December 31, 1991 and 1990, the company had no outstanding borrowings under these agreements. Fees under these agreements amounted to $.7 million in 1991, $.6 million in 1990 and $.6 million in 1989.

In September 1989, the company entered into a four-year credit facility in Spain with 10 local banks totaling 9.5 billion pesetas (approximately $95 million). The agreement provides that the company can borrow at a predetermined spread over the Madrid Inter-Bank Offered Rate (MIBOR). The primary purpose of the facility was to provide interim financing of costs associated with the company's development of a theme park and resort complex in Spain. Amounts outstanding under this facility at December 31, 1991 and 1990 were 2.6 billion pesetas (approximately $27 million) and 2.2 billion pesetas (approximately $23 million), respectively.

6–LONG-TERM DEBT

Long-term debt at December 31 consisted of the following (in millions):

	1991	*1990*
Commercial paper	*$ 104.4*	$ 305.8
Medium-term Notes Due 1991 to 2001 (interest from 7.4% to 9.0%)	*135.0*	135.0
6% Dual Currency Swiss Franc Bonds Due 1991	*—*	109.3
9-1/8% Notes Due 1992	*100.0*	100.0
8-7/8% Notes Due September 1, 1994	*100.0*	100.0
8.0% Dual Currency Japanese Yen/U.S. Dollar Notes Due 1995	*52.9*	52.3
8-3/4% Notes Due July 15, 1995	*100.0*	100.0
8% Notes Due October 1, 1996	*100.0*	100.0
8% Convertible Debentures Due 1996	*238.0*	241.4
8-3/4% Notes Due 1999	*250.0*	250.0
9% Debentures Due 2009	*350.0*	350.0
ESOP Debt Guarantee	*461.2*	485.0
Sinking Fund Debentures	*538.1*	673.1
Industrial Revenue Bonds	*83.6*	89.5
Other Long-term Debt	*31.7*	55.7
	$2,644.9	$3,147.1

The company's sinking fund debentures at December 31 are as follows (in millions):

	1991	*1990*
6% debentures maturing 1984 to 1992	*$ 4.1*	$ 5.5
7.95% debentures maturing 1985 to 1999	*54.5*	61.0
9.20% debentures maturing 1986 to 2005	*—*	114.0
8.55% debentures maturing 1989 to 2008	*85.6*	85.6
8-5/8% debentures maturing 1997 to 2016	*150.0*	150.0
8-1/2% debentures maturing 1998 to 2017	*150.0*	150.0
10% debentures maturing 1999 to 2018	*200.0*	200.0
Less: debentures held in treasury	*(106.1)*	(93.0)
	$538.1	$673.1

Shelf registration statements filed with the Securities and Exchange Commission (SEC) in 1989 and previous years established debt securities in the amount of $1 billion available for issuance. As of December 31, 1991, the company had $165 million remaining available for issuance under these shelf registration statements.

In addition, in 1989 the company registered with the SEC $300 million of convertible debentures as part of its Beer Wholesaler Investment Program; $241.7 million of which were issued to Qualified Holders. The debentures may only be held by a qualified, independently owned wholesaler (and certain related parties) and may be converted into a 5% convertible preferred stock, par value $1.00, at a conversion price of $47.60 per share. Each share of the convertible preferred stock may be converted into one share of the company's common stock. The convertible debentures and convertible preferred stock are subject to mandatory redemption at the end of seven years, optional redemption/repurchase at the company's or holder's discretion after three years, and special redemption/repurchase options based upon the occurrence of certain events with respect to particular holders.

In 1990, the company entered into an interest rate cap program on $400 million of floating rate borrowings. The program provides an interest rate ceiling on the effective cost of certain short-term interest rates through April 1992.

During November 1991, the company redeemed all of the outstanding 9.2% Sinking Fund Debentures (approximately $100 million). Additionally, during the fourth quarter 1991 the com-

pany exercised its call option on all of the currently outstanding 8.55% Sinking Fund Debentures (approximately $85.6 million). The call was effective February 1, 1992. Additionally, in January 1992 the company exercised its call option on all of the currently outstanding 7.95% Sinking Fund Debentures. Gains/losses on these debt reduction activities (either individually or in the aggregate) were not material to the company's Consolidated Financial Statements.

At December 31, 1991 and 1990, there was $104.4 million and $305.8 million, respectively, of commercial paper borrowings outstanding classified as long-term debt. The commercial paper is intended to be maintained on a long-term basis with ongoing credit provided by the company's $500 million revolving credit agreements.

Certain foreign currency denominated debt of the company was issued at a premium or discount from the redemption value or subsequently converted into a U.S. dollar liability resulting in effective interest rates different than the stated rates. For the dual currency Swiss Franc and Japanese Yen issues, these agreements result in an effective U.S. dollar rate of 8% and 10%, respectively, as compared to stated rates of 6% and 8%, respectively. The company has fully hedged its foreign currency exposure for interest and principal payments related to all foreign currency denominated debt issues through agreements with various lending institutions.

The aggregate maturities on all long-term debt are $261.0, $105.7, $131.3, $192.7 and $133.4 million, respectively, for each of the years ending December 31, 1992 through 1996. These aggregate maturities do not include the future maturities of the ESOP debt guarantee.

7–STOCK OPTION PLANS

The company had an Incentive Stock Option / Non-Qualified Stock Option Plan and a Non-Qualified Stock Option Plan for certain qualified employees. Under the terms of the Plans, which expired on December 21, 1991, options were granted at not less than the fair market value of the shares at the date of grant. The Non-Qualified Stock Option Plan provided that optionees could be granted Stock Appreciation Rights (SARs) in tandem with stock options. The exercise of a SAR cancels the related option and the exercise of an option cancels the related SAR. At December 31, 1991 and 1990, a total of 5,364,537 and 13,672,348 shares, respectively, were reserved for possible future issuance under the Plans.

In April 1990, the shareholders approved an Incentive Stock Plan for certain qualified employees. The Plan provides for the grant of options, SARs, Restricted Stock and Other Stock Interests. Under the terms of the Plan, options may be granted at not less than the fair market value of the shares at the date of grant. At December 31, 1991 and 1990, a total of 11,398,249 and 11,982,231 shares, respectively, were reserved for future issuance under the Plan.

Presented below is a summary of activity for the Plans for the years ended December 31:

	1991	*1990*
Options outstanding at beginning of the year	*15,224,650*	17,003,506
Options granted during the year	*668,516*	951,046
Options and SARs exercised during the year	*(3,390,645)*	(2,405,586)
Options cancelled during the year	*(217,388)*	(324,316)
Options outstanding at end of the year	*12,285,133*	15,224,650
Options exercisable at end of the year	*8,859,962*	9,089,205
Option price range per share	*$10.31-$56.00*	$6.80-$43.06

The Plans provide for acceleration of exercisability of the options upon the occurrence of certain events relating to a change of control, merger, sale of assets or liquidation of the company (Acceleration Events). The Non-Qualified Plan and the Incentive Stock Plan also provide that optionees may be granted Limited Stock Appreciation Rights (LSARs). LSARs become exercisable, in lieu of the option or SAR, upon the occurrence, six months following the date of grant, of an Acceleration Event and entitle the holder to a cash payment per share equivalent to the excess of the share value (under terms of the LSAR) over the grant price. As of December 31, 1991 and 1990, there were 2,379,582 and 3,057,307, respectively, of LSARs outstanding.

8–EMPLOYEE STOCK OWNERSHIP PLAN

In 1989, the company added an Employee Stock Ownership Plan (ESOP) to its existing Deferred Income Stock Purchase and Savings Plans. Approximately 60% of all salaried and hourly employees are eligible for participation in the ESOP. The ESOP borrowed $500 million for a term of 15 years at an interest rate of 8.3% and used the proceeds to buy approximately 11.3 million shares of common stock from the company. The ESOP debt is guaranteed by the company and ESOP shares are being allocated to participants over 15 years as contributions are made to the plans.

ESOP cash contributions and ESOP expense accrued during the calendar year are determined by several factors including the market price and number of shares allocated to participants, ESOP debt service, dividends on unallocated shares and the company's matching contribution. Over the 15-year life of the ESOP, total expense will equal the total cash contributions made by the company.

ESOP cash contributions are made in March and September, based on the plan year which ends March 31. A summary of ESOP cash contributions and dividends on unallocated ESOP shares for the three years ended December 31 is presented below (in millions):

	YEARS ENDED DECEMBER 31		
	1991	*1990*	*1989*
Cash Contributions	*$ 32.6*	$ 30.7	$ 8.7
Dividends	*$ 10.2*	$ 9.9	$ 4.9

Total ESOP expense is allocated to operating expense and interest expense based upon the ratio of principal and interest payments on the debt. ESOP expense for each of the three years ended December 31 is presented below (in millions):

	1991	*1990*	*1989*
Operating Expense	*$ 13.2*	$ 14.9	$ 5.0
Interest Expense	*19.9*	27.0	11.1
Total Expense	*$ 33.1*	$ 41.9	$ 16.1

9–RETIREMENT BENEFITS

The company has pension plans covering substantially all of its employees. Total pension expense for each of the three years ended December 31 is presented below (in millions):

	1991	*1990*	*1989*
Single-employer Defined Benefit Plans	*$ (3.5)*	$ (8.7)	$ (8.1)
Multi-employer Plans	*51.6*	47.6	43.4
Defined Contribution Plans	*11.6*	10.4	8.4
	$ 59.7	$ 49.3	$ 43.7

Net pension benefit for single-employer defined benefit plans was comprised of the following for the three years ended December 31 (in millions):

	1991	*1990*	*1989*
Service cost (benefits earned during the period)	*$ 34.0*	$ 29.5	$ 28.4
Interest cost on projected benefit obligation	*54.1*	49.2	44.3
Assumed return on assets	*(76.6)*	(72.2)	(66.5)
Amortization of prior service cost, actuarial gains/losses and the excess of market value of plan assets over projected benefit obligation at January 1, 1986	*(15.0)*	(15.2)	(14.3)
Net pension benefit	*$ (3.5)*	$ (8.7)	$ (8.1)

The assumed discount rate, the weighted-average rate of compensation increase used to measure the projected benefit obligation, and the expected long-term rate of return on plan assets were 10.0% (10.0% in 1990 and 9.0% in 1989), 6.5% and 9.0%, respectively. The actual (gain)/loss on pension assets was $(145.7), $3.7 and ($149.9) million in 1991, 1990 and 1989, respectively.

The following table sets forth the funded status of all company single-employer defined benefit plans (underfunded plans are not material) at December 31 (in millions):

	1991	*1990*
Plan assets at fair market value—primarily corporate equity securities and publicly traded bonds	*$1,019.5*	$883.3
Accumulated benefit obligation:		
Vested benefits	*(497.5)*	(428.9)
Nonvested benefits	*(44.1)*	(38.5)
Accumulated benefit obligation	*(541.6)*	(467.4)
Effect of projected compensation increases	*(137.9)*	(75.4)
Projected benefit obligation	*(679.5)*	(542.8)
Plan assets in excess of projected benefit obligation	*$ 340.0*	$340.5

	1991	*1990*
Plan assets in excess of projected benefit obligation consist of the following components:		
Unamortized excess of market value of plan assets over projected benefit obligation at January 1, 1986 being amortized over 15 years	*$ 134.0*	$152.4
Unrecognized net actuarial gains	*79.3*	77.6
Prior service costs	*(28.0)*	(17.8)
Prepaid pension	*154.7*	128.3
	$ 340.0	$340.5

The assumptions used in determining the funded status of these plans as of December 31 were a weighted-average rate of compensation increase of 6.5% and a discount rate of 9.0% in 1991 and 10.0% in 1990.

Contributions to multi-employer plans in which the company and its subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts and are based on employee-hours worked.

10–INCOME TAXES

The provision for income taxes includes the following for the three years ended December 31 (in millions):

	1991	*1990*	*1989*
Current Tax Provision:			
Federal	*$386.7*	$353.6	$293.7
State and foreign	*92.4*	76.3	63.3
	479.1	429.9	357.0
Deferred Tax Provision:			
Federal	*93.3*	74.9	94.1
State and foreign	*8.4*	4.9	8.4
	101.7	79.8	102.5
	$580.8	$509.7	$459.5

The deferred tax provision results from timing differences in the recognition of income and expense for tax and financial reporting purposes. The primary difference is the calculation of depreciation for tax purposes using accelerated methods and shorter lives (tax effect of $75.9 million in 1991, $112.6 million in 1990 and $86.3 million in 1989).

The company's effective tax rate was 38.2% in 1991, 37.7% in 1990 and 37.5% in 1989. A reconciliation between the statutory rate and the effective rate is presented below:

	1991	1990	1989
Statutory rate	*34.0%*	34.0%	34.0%
State income taxes, net of federal benefit	*3.8*	3.6	3.4
Other	*.4*	.1	.1
Effective tax rate	*38.2%*	37.7%	37.5%

11–CASH FLOWS

For purposes of the Statement of Cash Flows, all short-term investments with maturities of 90 days or less are considered cash equivalents. Such amounts include marketable securities of $32.2 million in 1991 and $15.6 million in 1990. The effect of foreign currency exchange rate fluctuations was not material for any of the years ended December 31, 1991, 1990 and 1989.

Supplemental information with respect to the Statement of Cash Flows is presented below (in millions):

	1991	*1990*	*1989*
Interest paid, net of capitalized interest	*$ 205.8*	$216.3	$115.7
Income taxes paid	*480.0*	359.8	374.8
Excise taxes paid	*1,606.6*	868.1	802.3
CHANGES IN NON-CASH WORKING CAPITAL			
Decrease/(increase) in non-cash current assets:			
Accounts receivable	*$ (92.2)*	$(34.8)	$(64.7)
Inventories	*(68.4)*	(35.5)	(19.5)
Other current assets	*(38.8)*	(20.2)	(25.9)
Increase/(decrease) in current liabilities:			
Accounts payable	*(1.4)*	103.2	39.3
Accrued salaries, wages and benefits	*(24.0)*	35.3	(17.4)
Accrued interest payable	*(13.8)*	12.1	10.7
Due to customers for returnable containers	*(.1)*	2.4	1.5
Accrued taxes, other than income taxes	*39.4*	6.1	5.3
Estimated income taxes	*(34.0)*	39.2	(35.2)
Other current liabilities	*24.8*	15.0	15.3
Decrease/(increase) in non-cash working capital	*$ (208.5)*	$122.8	$(90.6)

12–PREFERRED AND COMMON STOCK

STOCK ACTIVITY

Activity in the company's stock categories for each of the three years ended December 31 is summarized on the next page.

	COMMON STOCK ISSUED	*COMMON STOCK IN TREASURY*
BALANCE, DECEMBER 31, 1988	330,955,674	(47,549,406)
Shares issued under stock plans	2,986,140	
Treasury stock acquired		(14,736,400)
Shares issued to ESOP		11,331,446
BALANCE, DECEMBER 31, 1989	333,941,814	(50,954,360)
Shares issued under stock plans	1,741,499	
Treasury stock acquired		(2,422,700)
BALANCE, DECEMBER 31, 1990	335,683,313	(53,377,060)
Shares issued under stock plans	*2,696,554*	
Conversions of Convertible Debentures	*72,477*	
Treasury stock acquired		*(23,500)*
BALANCE, DECEMBER 31, 1991	*338,452,344*	*(53,400,560)*

In late 1989, the company, on behalf of several Busch family members and various Busch family trust funds, completed a secondary offering of 7.8 million shares of common stock at a price of $36-5/8 per share. The shares became available as a result of the death of August A. Busch, Jr. and were sold through a secondary offering sponsored by the company in order to effect an orderly distribution into the marketplace. The company did not receive any of the proceeds from the sale of these shares.

At December 31, 1991 and 1990, 40,000,000 shares of $1.00 par value preferred stock were authorized and unissued.

STOCK REPURCHASE PROGRAMS

The Board of Directors has approved various resolutions in recent years authorizing the company to purchase shares of its common stock for investment purposes and to meet the requirements of the company's various stock purchase and incentive plans. The company has acquired 23,500, 2,422,700 and 2,236,400 shares of common stock in 1991, 1990 and 1989 for $1.1, $86.3 and $74.4 million, respectively. At December 31, 1991, approximately 7 million shares were available for repurchase under existing Board of Directors authorizations.

In addition to the resolutions referred to above, in 1989 the Board of Directors authorized the company to purchase 12.5 million shares of company stock through a "Dutch Auction" self-tender. The cost of the shares purchased via the tender was $44 a share for a total of $550 million. These purchases were primarily made to offset the earnings per share dilution which would have otherwise resulted from the issuance of shares to the ESOP by the company.

STOCKHOLDER RIGHTS PLAN

In 1985, the Board of Directors adopted a Stockholder Rights Plan pursuant to which the Board declared a dividend of one preferred stock purchase right on each outstanding share of common stock of the company. The rights have subsequently been amended in certain respects, and the description below reflects the terms of the rights as amended. After the rights become exercisable and until such time as the rights expire or are redeemed, they will entitle the holder to purchase one one-hundredth of a share of a new Series B Junior Participating Preferred Stock, par value $1.00 per share (4,000,000 shares were reserved for issuance at December 31, 1991 and 1990), at a purchase price of $50 per one one-hundredth of a share. The rights will become exercisable on the earlier to occur of (i) the tenth business day following a public announcement that a person or group (an "Acquiring Person") has acquired 20% or more of the common stock of the company or (ii) the tenth business day following the commencement of a tender offer or exchange offer by a third party which, upon consummation, would result in such party's control of 30% or more of the common stock of the company.

If, at any time after the rights have become non-redeemable, the company is the surviving corporation in a merger with an Acquiring Person and its common stock is not changed or exchanged,

or an Acquiring Person becomes the beneficial owner of more than 30% of the then outstanding shares of common stock, each right will entitle the holder, other than the Acquiring Person, to purchase that number of shares of common stock of the company which has a market value of twice the exercise price of the right.

If, at any time after the rights have become non-redeemable, the company is acquired in a merger or other business combination transaction or 50% or more of its assets or earning power is sold, each right will entitle its holder to purchase that number of shares of common stock of the acquiring company which has a market value of twice the exercise price of the right.

The rights, which do not have voting rights, expire on December 18, 1995, and may be redeemed by the company at a price of 2-1/2 cents per right at any time prior to expiration or the date on which the company's Board of Directors permits the rights to become non-redeemable (subject to reinstatement in certain circumstances).

13–COMMITMENTS AND CONTINGENCIES

In connection with plant expansion and improvement programs, the company had commitments for capital expenditures of approximately $215.2 million at December 31, 1991.

Obligations under capital and operating leases are not material.

The company and certain of its subsidiaries are involved in certain claims and legal proceedings in which monetary damages and other relief are sought. The company is vigorously contesting these claims. However, resolution of these claims is not expected to occur quickly and their ultimate outcome cannot presently be predicted. In any event, it is the opinion of management that any liability of the company or its subsidiaries for claims or proceedings will not materially affect its financial position.

14–BUSINESS SEGMENTS

The company's principal business segments are beer and beer-related, food products and entertainment. The beer and beer-related segment produces and sells the company's beer products. Included in this segment are the company's raw material acquisition, malting, can manufacturing, recycling, communications and transportation operations.

The food products segment consists of the company's food and food-related operations which include the company's baking and snack food subsidiaries and certain rice operations.

The entertainment segment consists of the company's theme parks, baseball, stadium and real estate development operations.

Sales between segments, export sales and non-United States sales are not material. The company's equity in earnings of affiliated companies has been included in other income and expense. No single customer accounted for more than 10% of sales.

Summarized below is the company's business segment information for 1991, 1990 and 1989 (in millions). Intra-segment sales have been eliminated from each segment's reported net sales.

	NET SALES		
	1991	*1990*	*1989*
Beer and Beer-Related	*$ 8,323.5*	$8,151.2	$7,405.7
Food Products	*2,068.7*	1,982.4	1,803.0
Entertainment	*617.9*	625.3	286.3
Eliminations	*(13.8)*	(15.3)	(13.7)
Consolidated	*$10,996.3*	$10,743.6	$9,481.3

	*OPERATING INCOME**			*IDENTIFIABLE ASSETS*		
	1991	*1990*	*1989*	*1991*	*1990*	*1989*
Beer and Beer-Related	*$1,581.5*	$1,455.1	$1,244.7	*$6,660.6*	$6,348.5	$5,902.9
Food Products	*95.0*	85.6	56.9	*1,359.7*	1,337.2	1,249.5
Entertainment	*45.0*	58.3	27.1	*1,565.7*	1,540.0	1,529.5
Corporate**	—	—	—	*400.5*	408.6	343.8
Consolidated	*$1,721.5*	$1,599.0	$1,328.7	*$9,986.5*	$9,634.3	$9,025.7

	DEPRECIATION AND AMORTIZATION EXPENSE***			CAPITAL EXPENDITURES		
	1991	1990	1989	1991	1990	1990
Beer and Beer-Related	$ 381.4	$ 351.5	$ 308.8	$ 511.5	$ 722.4	$ 846.6
Food Products	89.5	84.7	77.5	82.5	95.8	120.2
Entertainment	63.2	59.5	24.0	108.5	80.7	109.9
Consolidated	$ 534.1	$ 495.7	$ 410.3	$ 702.5	$ 898.9	$1,076.7

*Operating income excludes other expense, net, which is not allocated among segments. For 1991, 1990 and 1989 other expense, net of $200.9, $246.9 and $102.0 million, respectively, includes net interest expense, other income and expense, and equity in earnings of affiliated companies.

**Corporate assets principally include cash, marketable securities, investment in affiliated companies and certain fixed assets.

***Consolidated depreciation and amortization expenses include $16.0, $16.3 and $13.0 million of depreciation expense related to corporate assets for 1991, 1990 and 1989, respectively.

15–ADDITIONAL INFORMATION

Additional income statement information (in millions):

	1991	1990	1989
Maintenance	$405.4	$395.8	$342.2
Advertising costs	$682.6	$613.6	$602.1

Summarized below is selected financial information for Anheuser-Busch, Inc. (a wholly owned subsidiary of Anheuser-Busch Companies, Inc.) as of and for the year ended December 31 (in millions):

	1991	1990	1989
Income Statement Information:			
Net sales	$7,475.4	$7,346.4	$6,794.8
Gross profit	2,707.5	2,568.8	2,325.7
Net income (1)	829.4	705.2	685.8
Balance Sheet Information:			
Current assets	653.3	567.2	
Non-current assets	9,407.2	9,020.5	
Current liabilities	707.8	634.0	
Non-current liabilities (1)	3,314.3	3,744.7	

(1) Anheuser-Busch, Inc. is co-obligor for all outstanding Anheuser-Busch Companies, Inc. indebtedness. Accordingly, all such debt is included as an element of non-current liabilities and the interest thereon is included in the determination of net income.

16–QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for 1991 and 1990 (in millions, except per share data) appears below:

	NET SALES		GROSS PROFIT		NET INCOME		EARNINGS PER SHARE PRIMARY		EARNINGS PER SHARE FULLY DILUTED	
	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990
First quarter	$ 2,541.4	$2,392.9	$ 869.7	$ 796.7	$200.9	$182.5	$ .70	$ .64	$ .70	$ .64
Second quarter	2,845.3	2,778.7	1,026.1	966.6	286.7	257.5	1.00	.90	.99	.90
Third quarter	2,943.4	2,888.7	1,065.3	1,010.9	293.0	260.7	1.01	.92	1.01	.91
Fourth quarter	2,666.2	2,683.3	886.5	875.9	159.2	141.7	.55	.50	.55	.50
Total year	$10,996.3	$10,743.6	$3,847.6	$3,650.1	$939.8	$842.4	$3.26	$2.96	$3.25	$2.95

FINANCIAL SUMMARY—OPERATIONS

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share data)

	1991	*1990*	*1989*
CONSOLIDATED SUMMARY OF OPERATIONS			
Barrels sold	*86.0*	86.5	80.7
Sales	*$12,634.2*	$11,611.7	$10,283.6
Federal and state excise taxes	*1,637.9*	868.1	802.3
Net sales	*10,996.3*	10,743.6	9,481.3
Cost of products and services	*7,148.7*	7,093.5	6,275.8
Gross profit	*3,847.6*	3,650.1	3,205.5
Marketing, distribution and administrative expenses	*2,126.1*	2,051.1	1,876.8
Operating income	*1,721.5*	1,599.0	1,328.7
Interest expense	*(238.5)*	(283.0)	(177.9)
Interest capitalized	*46.5*	54.6	51.5
Interest income	*9.2*	7.0	12.6
Other income/(expense), net	*(18.1)*	(25.5)	11.8
Gain on sale of Lafayette plant	*—*	—	—
Income before income taxes	*1,520.6*	1,352.1	1,226.7
Income taxes	*580.8*	509.7	459.5
Net income	*939.8*	842.4	767.2
Per share—Primary	*3.26*	2.96	2.68
Per share—Fully diluted	*3.25*	2.95	2.68
Cash dividends paid:			
Common stock	*301.1*	265.0	226.2
Per share	*1.06*	.94	.80
Preferred stock	*—*	—	—
Per share	*—*	—	—
Average number of common shares:			
Primary	*287.9*	284.6	286.2
Fully diluted	*292.9*	289.7	286.2

NOTES TO FINANCIAL SUMMARY—OPERATIONS

Note: All per share information and average number of common shares data reflect the September 12, 1986 two-for-one stock split and the June 14, 1985 three-for-one stock split. All amounts reflect the acquisition of Campbell Taggart, Inc. as of November 2, 1982 and the acquisition of Sea World as of December 1, 1989. Financial information prior to 1988 has been restated to reflect the adoption in 1988 of Financial Accounting Standards No. 94, Consolidation of Majority-Owned Subsidiaries.

(1) Effective January 1, 1986, the company adopted the provisions of Financial Accounting Standards No. 87 (FAS 87), Employers' Accounting For Pensions. The financial effect of FAS 87 adoption was to increase 1986 pretax income $45 million, net income $23 million and earnings per share $.08.

(2) Net income and net income per share include a nonrecurring gain on the sale of the corn refining plant in Lafayette, Ind. This nonrecurring gain increased net income $13.3 million, primary earnings per share $.05 and fully diluted earnings per share $.04.

1988	*1987*	*1986*	*1985*	*1984*	*1983*	*1982*	*1981*
78.5	76.1	72.3	68.0	64.0	60.5	59.1	54.5
$9,705.1	$9,110.4	$8,478.8	$7,756.7	$7,218.8	$6,714.7	$5,251.2	$4,435.9
781.0	760.7	724.5	683.0	657.0	624.3	609.1	562.4
8,924.1	8,349.7	7,754.3	7,073.7	6,561.8	6,090.4	4,642.1	3,873.5
5,825.5	5,374.3	5,026.5	4,729.8	4,464.6	4,161.0	3,384.3	3,001.9
3,098.6	2,975.4	2,727.8	2,343.9	2,097.2	1,929.4	1,257.8	871.6
1,834.5	1,826.8	1,709.8	1,498.2	1,338.5	1,226.4	758.8	518.6
1,264.1	1,148.6	1,018.0	845.7	758.7	703.0	499.0	353.0
(141.6)	(127.5)	(99.9)	(96.5)	(106.0)	(115.4)	(93.2)	(90.7)
44.2	40.3	33.2	37.2	46.8	32.9	41.2	64.1
9.8	12.8	9.6	21.3	22.8	12.5	17.0	6.2
(16.4)	(9.9)	(13.6)	(23.3)	(29.6)	(14.8)	(5.8)	(7.3)
—	—	—	—	—	—	20.4	—
1,160.1	1,064.3	947.3(1)	784.4	692.7	618.2	478.6	325.3
444.2	449.6	429.3	340.7	301.2	270.2	191.3	107.9
715.9	614.7	518.0(1)	443.7	391.5	348.0	287.3(2)	217.4
2.45	2.04	1.69(1)	1.42	1.23	1.08	1.00(2)	.80
2.45	2.04	1.69(1)	1.42	1.23	1.08	.98(2)	.77
188.6	148.4	120.2	102.7	89.7	78.3	65.8	51.2
.66	.54	.44	.36⅔	.31⅓	.27	.23	.18⅘
—	20.1	26.9	27.0	27.0	29.7	—	—
—	3.23	3.60	3.60	3.60	3.60	—	—
292.2	301.5	306.6	312.6	317.4	321.0	288.6	272.4
292.2	301.5	306.6	312.6	317.4	321.0	294.5	289.0

FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share and statistical data)

	1991	*1990*	*1989*
BALANCE SHEET INFORMATION			
Working capital (deficit)	*$ 224.9*	$ 14.4	$ (25.7)
Current ratio	*1.2*	1.0	1.0
Plant and equipment, net	*7,196.5*	7,063.8	6,671.3
Long-term debt	*2,644.9*	3,147.1	3,307.3
Total debt to total debt plus equity	*37.3%*	46.1%	52.4%
Deferred income taxes	*1,500.7*	1,396.2	1,315.9
Convertible redeemable preferred stock	*—*	—	—
Shareholders equity	*4,438.1*	3,679.1	3,099.9
Return on shareholders equity	*23.2%*	24.9%	24.7%
Book value per share	*15.57*	13.03	10.95
Total assets	*9,986.5*	9,634.3	9,025.7
OTHER INFORMATION			
Capital expenditures	*702.5*	898.9	1,076.7
Depreciation and amortization	*534.1*	495.7	410.3
Total payroll cost	*2,282.7*	2,187.3	1,954.2
Effective tax rate	*38.2%*	37.7%	37.5%
Price/earnings ratio	*18.9*	14.6	14.4
Percent of pretax profit on net sales	*13.8%*	12.6%	12.9%
Market price range of common stock (high/low)	*61½-39⅝*	45-34¼	45⅞-30⅝

NOTES TO FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Note: All per share information reflects the September 12, 1986 two-for-one stock split and the June 14, 1985 three-for-one stock split. All amounts reflect the acquisition of Campbell Taggart, Inc. as of November 2, 1982 and the acquisition of Sea World as of December 1, 1989. Financial information prior to 1988 has been restated to reflect the adoption in 1988 of Financial Accounting Standards No. 94, Consolidation of Majority-Owned Subsidiaries.

(1) This percentage has been calculated by including convertible redeemable preferred stock as part of equity because it was convertible into common stock and was trading primarily on its equity characteristics.

1988	1987	1986	1985	1984	1983	1982	1981
$ 15.2	$ 75.8	$ (3.7)	$ 116.0	$ 71.5	$ 173.1	$ 60.2	$ 41.0
1.0	1.1	1.0	1.1	1.1	1.2	1.1	1.1
5,467.7	4,994.8	4,494.9	3,960.8	3,579.5	3,269.8	3,057.3	2,324.5
1,615.3	1,422.6	1,164.0	904.7	879.5	1,003.1	1,029.9	862.2
34.2%	33.0%	31.6%(1)	26.9%(1)	28.2%(1)	32.8%(1)	36.8%(1)	42.5%
1,212.5	1,164.3	1,094.0	964.7	757.9	574.3	455.2	357.7
—	—	286.9	287.6	286.9	286.0	285.0	—
3,102.9	2,892.2	2,313.7	2,173.0	1,951.0	1,766.5	1,526.6	1,206.8
23.9%	22.4%	20.5%(1)	18.9%(1)	18.2%(1)	18.0%(1)	19.9%(1)	19.3%
10.95	9.87	8.61	7.84	6.91	6.09	5.27	4.43
7,109.8	6,547.9	5,898.1	5,192.9	4,592.5	4,386.8	3,965.2	2,938.1
950.5	841.8	796.2	611.3	532.3	441.3	380.9	441.5
359.0	320.1	281.2	240.0	207.9	191.3	136.9	111.0
1,817.7	1,790.5	1,640.9	1,559.1	1,438.6	1,361.7	864.0	695.5
38.3%	42.2%	45.3%	43.4%	43.5%	43.7%	40.0%	33.2%
12.9	16.4	15.5	14.9	9.8	9.6	11.0	8.9
13.0%	12.7%	12.2%	11.1%	10.6%	10.2%	10.3%	8.4%
34⅛-29⅛	39¾-26⅜	28⅝-20	22⅞-11⅞	12⅜-8⅞	12⅞-9¾	11⅞-6½	7⅜-4½

INVESTOR INFORMATION

THE CORPORATION

Anheuser-Busch Companies, Inc. is a diversified corporation whose subsidiaries include the world's largest brewing organization, the country's second-largest producer of fresh-baked goods and the country's second-largest theme park operator. The company also has interests in container manufacturing and recycling, malt and rice production, international brewing and beer marketing, snack foods, international baking, refrigerated and frozen foods, real estate development, major league baseball, stadium ownership, creative services, railcar repair and transportation services, and metalized label printing.

TRADEMARKS

Trademarks of the corporation and its subsidiaries include: Anheuser-Busch, the A & Eagle Design, Budweiser, Bud, Bud Dry, Bud Light, King of Beers, Michelob, Michelob Dry, Michelob Light, Michelob Classic Dark, Mich, Busch, Natural Light, King Cobra, Busch Gardens, Adventure Island, Kingsmill, Cardinals, Eagle (for snacks), Rainbo, Colonial, Earth Grains, El Charrito, Sea World and Shamu, among others.

ANNUAL MEETING

The annual meeting of shareholders will be held on Wednesday, April 22, 1992, in Orlando, Fla. A formal notice of the meeting together with a proxy statement will be mailed to shareholders in mid-March 1992.

ADDITIONAL INFORMATION

A copy of the company's annual report to the Securities and Exchange Commission (Form 10-K) is available to shareholders without charge upon written request to JoBeth G. Brown, Corporate Secretary, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Mo. 63118.

A copy of the corporation's "Fact Book," which contains general information about the company, may be obtained by writing to Corporate Communications, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Mo. 63118.

COMMON STOCK

Anheuser-Busch Companies, Inc. common stock is listed and traded on the New York Stock Exchange and the London, Frankfurt, Paris, Zurich, Geneva, Basle and Tokyo Stock Exchanges. It is also traded on the Boston, Midwest, Cincinnati, Pacific and Philadelphia Stock Exchanges and the over-the-counter market. Options in the company's common stock are traded on the Philadelphia Stock Exchange. The stock is quoted as "Anheus" or "AnheuserB" in stock table listings in daily newspapers in the U.S.; the abbreviated ticker symbol is "BUD."

DIVIDENDS

Dividends on common stock are normally paid in the months of March, June, September and December.

DIVIDEND REINVESTMENT

The company's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Anheuser-Busch Companies, Inc. common stock automatically, regularly and conveniently—without service charges or brokerage fees. In addition, participating shareholders may supplement the amount invested with voluntary cash investments on the same cost-free basis. Plan participation is voluntary and shareholders may join or withdraw at any time.

Full details concerning the plan are available by writing to First Chicago Trust Company of N.Y., Dividend Reinvestment Plan, P.O. Box 3506, New York, N.Y. 10008-3506. Be certain to include a reference to Anheuser-Busch Companies, Inc. Plan information can also be obtained by writing to Investor Relations, Anheuser-Busch Companies, Inc., Bldg. 202-5, One Busch Place, St. Louis, Mo. 63118.

TRANSFER AGENT AND REGISTRAR–COMMON STOCK	Boatmen's Trust Company 510 Locust Street St. Louis, Mo. 63101 (314) 466-1357 (local) (800) 456-9852 (long distance)
DIVIDEND DISBURSING AGENT	Boatmen's Trust Company 510 Locust Street St. Louis, Mo. 63101 (314) 466-1357 (local) (800) 456-9852 (long distance)
TRUSTEES–DEBENTURES/NOTES	6%, 8-5/8% and 8-1/2% debentures, 8% notes: Chemical Bank 55 Water Street New York, N.Y. 10041 7.95%, 8.55%, 9.00%, 9.20% and 10% debentures, 8% convertible debentures, 8-3/4% and 8-7/8% notes, and medium term notes: Manufacturers Hanover Trust Company 450 West 33rd St. New York, N.Y. 10001
FISCAL AGENTS–NOTES/BONDS	9-1/8% notes: Manufacturers Hanover Trust Company 450 West 33rd St. New York, N.Y. 10001 8% dual-currency Japanese yen/U.S. dollar notes: The Industrial Bank of Japan, Limited 3-3 Marunouchi 1-Chome Chiyoda-ku Tokyo 100, Japan
INDEPENDENT ACCOUNTANTS	Price Waterhouse One Boatmen's Plaza St. Louis, Mo. 63101
CORPORATE OFFICE	One Busch Place St. Louis, Mo. 63118 (314) 577-2000

OFFICERS

ANHEUSER-BUSCH COMPANIES, INC.

POLICY COMMITTEE

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Barry H. Beracha
Vice President and Group Executive

John H. Purnell
Vice President and Group Executive

W. Randolph Baker
Vice President and Group Executive

Stephen K. Lambright
Vice President and Group Executive

Stuart F. Meyer
Vice President and Group Executive

Raymond E. Goff
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Vice President–Corporate Human Resources

**Member of the Corporate Office*

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Vice President–Recycling and Metals Planning

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Assistant Secretary

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Assistant Secretary

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Assistant Secretary

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Assistant Treasurer

William J. Kimmins
Assistant Treasurer

Bruce M. Sandison
Assistant Treasurer

Ronald S. Burkhardt
Assistant Controller

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Vice President–Trade Sales Development

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Vice President–Plant Operations

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Vice President–Budweiser Brands

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JoBeth G. Brown
Vice President and Secretary

†*Member of the Anheuser-Busch, Inc. Management Committee*

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Group Vice President–Manufacturing Operations and Human Resources

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Todd A. Brown
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President and Managing Director–Far East

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Executive Vice President–Marketing

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President–Bakery Operations

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Marty Hendin
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Chairman and Chief Executive Officer

Edward R. Goedeke
President and Chief Operating Officer

Walter J. Andrews
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Joel A. Murnin
Vice President; Treasurer; Controller

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Chairman and Chief Executive Officer

Edward R. Goedeke
President and Chief Operating Officer

Joel A. Murnin
Vice President; Treasurer; Controller

BOARD OF DIRECTORS



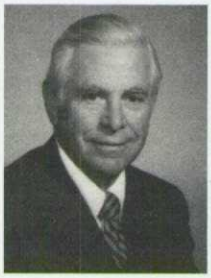
August A. Busch III
Chairman of the Board and President



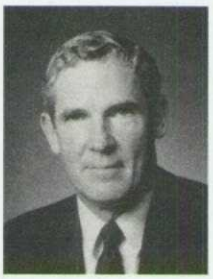
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Sybil C. Mobley
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James B. Orthwein
Partner–Huntleigh Asset Partners; a private investment firm



Andrew B. Craig III
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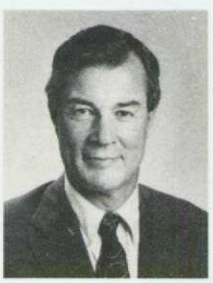
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Partner–Milbank, Tweed, Hadley & McCloy; attorneys



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Vilma S. Martinez
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Professor of Management–Washington University School of Business



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PONDEROSA PINE
Pinus ponderosa

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